

# Annual Report 2017/18





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## Our City

*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 estimate for mid-2018 is 91,668 and is forecast to grow to 141,805 by 2036\*.

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

\*City of Armadale website Forecast ID 30.6.2018



# Council Statistics 2017/18

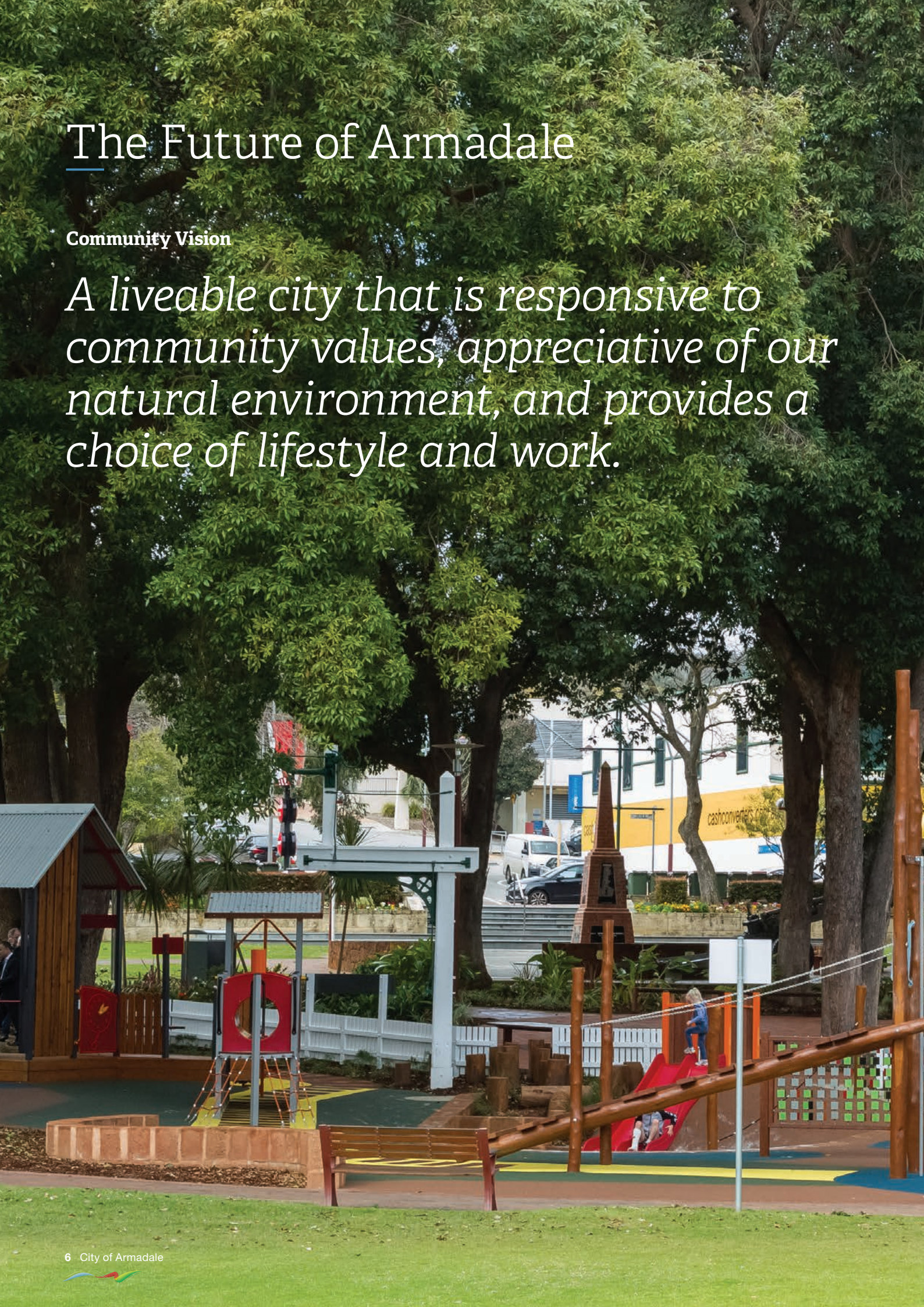
Distance from Perth (km)	<b>28</b>
Area (sq km)	<b>560.4</b>
Length of Sealed Roads (km)	<b>780.1</b>
Length of Unsealed Roads (km)	<b>7.2</b>
Estimated Population	<b>91,668</b>
Number of Electors	<b>51,517</b>
Number of Dwellings	<b>35,188</b>
Total Rates Levied	<b>\$65,129,000</b>
Total Revenue	<b>\$117,281,000</b>
Number of Full Time Employees	<b>401</b>
Areas of Parks and Reserves (hectares)	<b>1791</b>
Libraries	<b>3</b>
Primary Schools	<b>26</b>
Secondary Schools	<b>12</b>
Localities and Suburbs	<b>19</b>



# The Future of Armadale

## Community Vision

*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.







# Mayor's Foreword



There is no doubt that the City has seen unprecedented growth over the past 10 years. That pattern of growth continues, and projections are that it will continue for some time into the future.

Armadale is home to some of the fastest growing suburbs in Western Australia. Our population is growing at four times the metropolitan Perth rate, and double that of Australia. New suburbs in Piara Waters, Harrisdale, Hilbert, Haynes, Champion Lakes and Sienna Woods are bringing a new, young family demographic.

During the year construction of the Armadale Road duplication, to reduce traffic congestion and improve freeway access, commenced. Following the completion of the new lanes and roundabouts, a new bridge joining Armadale Road to North Lake Road in Cockburn will provide direct access to the freeway. This project was made possible through the City's work to attract \$383 million of funding from Federal and State government. The works will improve traffic flow and make the roads safer for our community.

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*Our population is growing at four times the metropolitan Perth rate, and double that of Australia.*

The City's first designated off leash dog exercise area was officially opened in April at the cost of \$314,000. It was a big hit with locals and their furry friends. This project was assisted through the support of the Member for Armadale Dr Tony Buti MLA, who contributed \$40,000 towards its development through the Community Improvement Fund, designed to support councils and community organisations throughout the electorate.

The Armadale Golf Course was reopened following upgrades to all nine holes with works including a new chipping green, irrigation system and maintenance facility. The works were funded by the City, Golf Oracle and a WA Department of Sport and Recreation grant.

After years of hard work by the City, the State Government announced that Denny Avenue will be the first of four level crossings that will be removed as part of Stage One of the METRONET plan. The design for an underpass and elevated rail line at Davis Road was revealed as the preferred option. This is in-line with Council's vision to improve road safety for the community and to rejuvenate the Kelmscott Town Centre by greatly enhancing the connectivity between the town centre and both sides of the rail line.

We successfully delivered Armadale Aspire, an inaugural career development program in collaboration with local high schools and businesses. The pilot program, the first of its kind in the Armadale region, consisted of 21 local Year 10 students and aims to connect education with industry. Our first business partners on the program included Beaver Trees, Alita Constructions, Daly and Shaw and the Armadale Kelmscott Memorial Hospital who offered students the opportunity for an introduction, tour and activities in their diverse industries.

We now look forward to all the challenges and excitement the new financial year holds. The Council, City staff, volunteers and the community are busy working to deliver places and services that make Armadale a special place to live, work and enjoy. I thank everyone for their contribution, commitment, energy and enthusiasm which is so very appreciated.

A handwritten signature in black ink, appearing to read 'Henry Zelones'.

**Henry Zelones OAM, JP**  
Mayor City of Armadale





PIARA WATERS  
(SOUTH) PAVILION  
& PLAYING FIELD

COMING SOON

city of Armadale

FratelleGroup

Connect  
to create

ATF  
13 17 16

# CEO's Report



This Annual Report provides our ratepayers, visitors, government agencies and our community with an account of Council's achievements and performance for the financial year 1 July 2017 to 30 June 2018. The report documents how we have performed against our targets and outlines the future direction of Council.

Throughout the year we partnered with Inclusion WA, to deliver community workshops as part of its Club Abilities Project. The project provided sport and recreation programs that are inclusive to people of all ability levels, and was made possible through a Disability Services Commission Community Inclusion and Participation Grant, administrated by Visability.

This year the City budgeted over \$37 million for investment into asset creation and renewal, developing things such as community facilities, roads, paths and parks. To rejuvenate the City's facilities several large scale capital projects commenced this year including the Armadale Aquatic Centre redevelopment.

Another win for the district this financial year was a \$4 million Lotterywest grant for major upgrades to the City's Champion Centre and Seville Grove library, two valued community facilities. Both facilities were the focus of a feasibility study, undertaken by the City as part of the master planning for the Bob Blackburn Reserve. This fantastic development sits right next to the City's \$26 million Aquatic Centre redevelopment providing a new hub to these established suburbs.

We are committed to investing in the upgrade and maintenance of our assets and as part of the City's Public Open Space Strategy, five parks within Precinct F (Frye Park, Rushton Park, Canning River Walk Trail, Lloyd Hughes Park and Goolamrup Reserve) are to receive upgrades at a cost of \$707,000. Upgrades also commenced in the much loved Memorial Park (\$297,000) to install a railway themed playground.

The City's newer suburbs Piara Waters and Harrisdale will benefit from the new \$8 million sporting and community facilities being provided at Rossiter Pavilion and Novelli playing field in Piara Waters. Piara Waters is one of the fastest growing areas in WA.

Armadale's best practice approach to tourism was acknowledged with a bronze award in the category of Local Government Award for Tourism, in the Perth Airport Western Australian Tourism Awards 2017. The City delivered on several objectives of the City's Tourism Strategy to be eligible to qualify for this prestigious award which recognises the quality and diversity of tourism attractions, amenities and experiences that our area has to offer.

One of the City's key focus areas for 2017 was to continue to activate new developments at Forrestdale Business Park (FBP), with 27 development applications lodged in 2017. The Park is already home to 107 businesses, and provides employment for over 1,300 people, with major industries being manufacturing, wholesale trade and construction. When fully developed FBP will provide employment for up to 15,000 people.

We consulted with our community throughout the year on environmental and strategic projects including the Roley Pools Heritage Walk Trails Management Plan and the City's Draft Armadale Strategic Metropolitan Centre Structure Plan and City Centre Design Guidelines. The Structure Plan is the City's 25 to 30 year vision and aspires to guide the growth of the City Centre, which has the potential to attract private sector investment of \$2.2 billion in coming years.

We congratulated our Community Development Officer – Youth, who scooped a prestigious award at the 2018 National Awards for Local Government. Ashleigh Tapper won the award in the Next Gen Local Government Leader category, recognising her passion and vested interest in human rights, working with communities to seek sustainable transformations, achieving positive outcomes and changing lives and futures for local young people in the Armadale region.

I am extremely proud to lead a team of professional and committed people who are determined to achieve great outcomes for our community. Collaboration, innovation and hard work are what drive our dedicated staff, Council Members and volunteers in supporting the Armadale community. I thank them sincerely and look forward to continuing to build the City of Armadale as a place for everyone, now and into the future.

A stylized, handwritten signature in black ink, appearing to read 'R S Tame'.

**R S Tame, PSM**  
Chief Executive Officer



# Your Council

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



# Elected Members

City of Armadale Council is made up of 14 councillors, including the Mayor, with two councillors elected to represent each of these wards.

City of Armadale 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.

Ordinary Local Government elections are held every two years on the third Saturday in October when half the positions on Council (one in each ward) are offered up for election.

Council meetings are generally 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](http://www.armadale.wa.gov.au)

All committee and Council meetings are open to the public.

## HERON



Councillor  
Donna Shaw



Councillor  
Jim Stewart

## HILLS



Councillor  
Grant Nixon



Councillor  
Caroline Wielinga

## LAKE



Councillor  
Carole Frost



Councillor  
Michelle Silver

## MINNAWARRA



Councillor  
Kerry Busby



Councillor  
Gary Smith

## PALOMINO



Councillor  
Colin Campbell, JP



Councillor  
Laurence Sargeson

## RANFORD



Councillor  
Mark Geary



Councillor  
Jeff Munn JP, CMC

## RIVER



**Deputy Mayor**  
Cr Ruth Butterfield



**Mayor**  
Cr Henry Zelones  
OAM, JP



# Council

There are three levels of government in Australia - federal, state and local. The City of Armadale is one of 142 local governments (also known as City, Town or Shire Councils) in Western Australia.

The Armadale City Council meets regularly to make decisions on behalf of residents. There are four primary committees of Council, each concentrating on different areas of operation.

## 1 City Strategy Committee

Considers strategic direction and matters referred by the Chief Executive's Office, and Corporate Services Directorate. These may include organisational and financial matters and items.

## 2 Community Services Committee

Deals with matters related to Infrastructure Planning, Recreation, Libraries, Heritage, Cultural and Community Development as well as Rangers and Emergency Management.

## 3 Development Services Committee

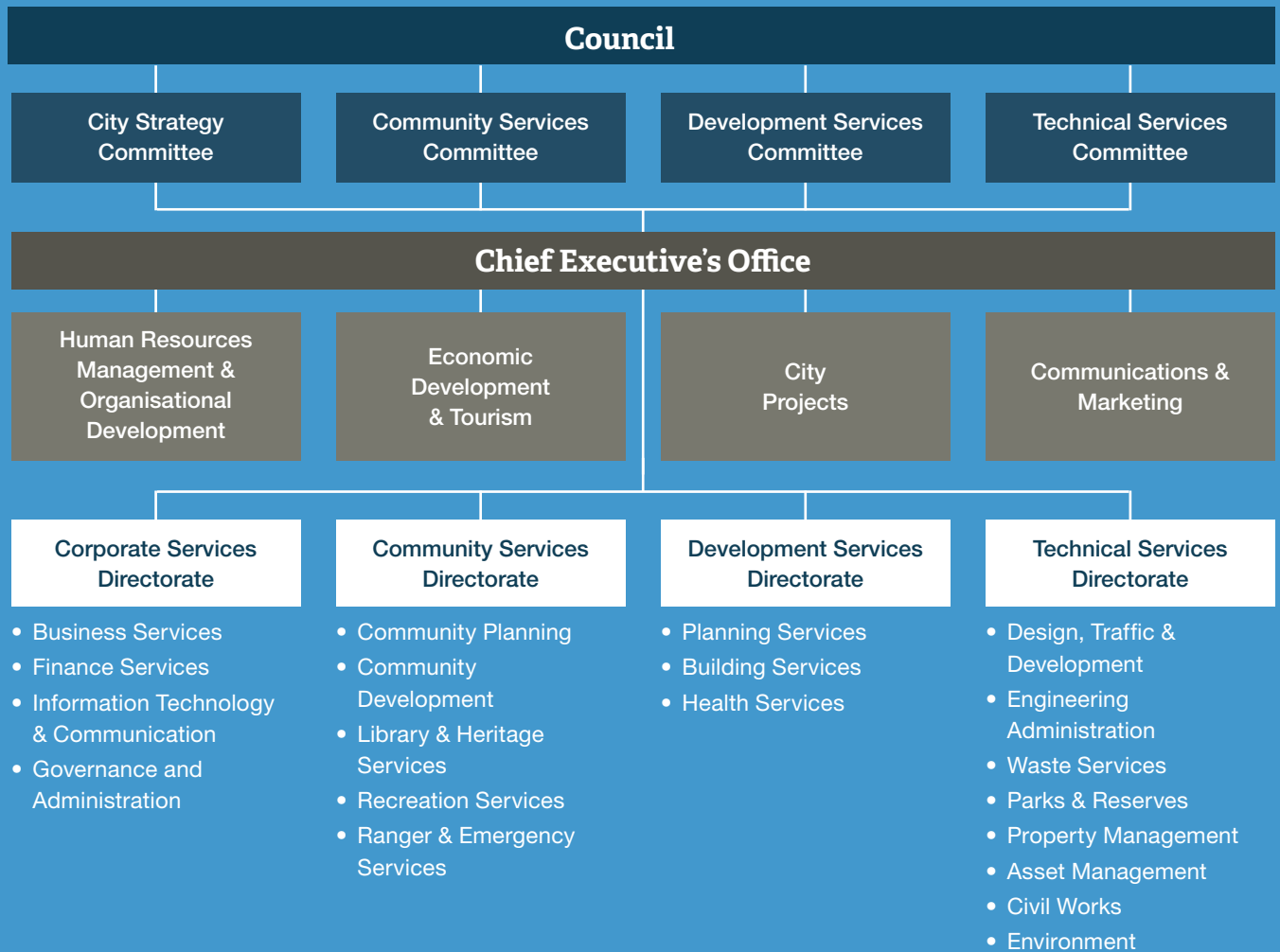
Considers strategic land use planning, development proposals, subdivisions, general land use matters, building permits, building safety, health services, food handling and disease control.

## 4 Technical Services Committee

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



# Organisational Structure



## City of Armadale Key Staff



**Ray Tame**

Chief Executive Officer



**Jason Lyon**

Executive Director Corporate Services



**Yvonne Loveland**

Executive Director Community Services



**Paul Sanders**

Executive Director Development Services



**Kevin Ketterer**

Executive Director Technical Services



# Strategic Community Plan 2016 – 2031

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 natural and built assets.







The Strategic Community Plan helps guide the City's future as it seeks to plan for the needs of the current and future population. The plan, informed by extensive community consultation, identifies shared community objectives and priorities, taking into account current and expected changes in community demographics, social issues and local, national and global influences.

The Plan sets out Outcomes for the City and the Strategies used to achieve them, under four overarching future directions. The following section of this Annual Report details the progress towards the Strategic Community Plan Outcomes, under those four Future Directions.



Future Direction:

# Community

The range and quality of services offered within the area plays a key role in making Armadale a preferred place to live by fostering community pride, safety and healthy lifestyles.

## STATISTICS



60,280  
visits to  
Armadale Arena

340,000  
library visits



31



major community  
events

10,079



jobs attended by Rangers



3,812  
new library  
members



70,000

people attending  
major events



1574 & 434

dogs and cats  
newly registered

75,750

library computer  
& WiFi sessions



342,200

loans (print & electronic)







## Outcome 1.1 // A strong sense of community spirit

### Connecting the community

The City delivered a range of events and activities for the community throughout the year, in partnership with local stakeholders. These included:

- The Nightfields program engaged over 250 young people to promote healthy lifestyles and participation in sporting activities. The program resulted in 16% of participants signing up to local sporting clubs and over 10 young people engaged further by joining youth organisations.
- Multisports Day attended by 130 children aged six to 16 years to promote ongoing participation in sport.
- The Art Beat Youth Fest annual event in celebration of National Youth Week attracted over 2000 people, held in partnership with community and state government organisations.
- FRAMED Youth Music Event, held alongside the Outside the Frame Youth Art Awards, attracted over 80 young people and provided music and youth development for three local youth bands.
- King of the Hill Skate and Scooter competition – 120 people attended the qualifier and 200 people attended the final at Cross Park Skate Park in Roleystone.
- A Community Art Program workshop for seniors, to help facilitate connections between community members. Forty-nine seniors attended and created a professional art piece themed Armadale Bushland.
- Eight community groups partnered to deliver the Great Ride, including the Kelmscott-Pinjara 10th Light Horse Memorial Troop. This event acknowledged the Australian 10th Light Horse Regiment ride into Damascus 100 years ago in 1918 and its impact on the end of WWI and attracted around 120 people.
- Carer Wellbeing Workshops (Carer's WA) over 70 carers attended a series of workshops to assist carers of seniors and people with disabilities to care for themselves.
- Kinetic Youth Group – a group of local youth aged 12 to 18 years delivered a number of free youth events and advocated the needs of young people in the community.
- Stay on Your Feet – Build Your Balance training was delivered to three Home and Community Care groups to increase understanding of how to assist clients with avoiding falls.
- Positive Ageing Sessions aimed at educating seniors on a wide range of topical issues were held monthly, with around 60 people attending each session.
- Delivered the Technology Buddies program in partnership with local high schools. Students visit the library to assist seniors with the use of technology.
- Over 1000 people attended the Age Friendly Expo held in the Jull Street Mall with information displays, entertainment and health and cooking zones.
- Network lunches and community meetings were hosted at the Champion Centre to address issues relevant to the community including: homelessness, drugs/alcohol, Mental Health, Domestic Violence, Suicide Intervention.
- The Champion Centre's Driver Training Program in partnership with the WA Police assisted community members to obtain their driver's licence.
- A community opening day held at John Dunn Dog Park attracted over 150 people and their dogs with information and community stalls.
- *Switch your thinking* partnered with the City's Libraries, Armadale Gosnells Landcare Group, Little Green Steps, the Armadale Arena, Kelmscott Community Garden, Roleystone Family Centre, Neerigen Brook and Kelmscott Primary Schools to deliver exciting sustainability events building the community's awareness and skills in sustainable living, composting, worm farming, renewable energy generation and storage, recycling and re-use, planet friendly gardening and energy efficiency.
- Delivered Community planting days and activities to engage with existing community groups and fostering of new Custodians and Friends Groups.





### Helping our community groups

The City is committed to helping build stronger, healthier, happier and safer communities through supporting community groups and volunteers. During 2017/18 the City:

- Delivered four Community Connect events to facilitate connection between community groups and other stakeholders including local businesses.
- Supported community groups and organisations to coordinate a range of activities, events and programs through the Community Grants Program (over \$21,000), Annual Contributions Program (\$137,000) and over \$31,000 in Donations.
- Delivered Club Abilities workshops, mentoring participants from local clubs, groups and schools to include people with disabilities as volunteers, ensuring groups are inclusive to people of all abilities.
- Provided funding to the Armadale Gosnells Landcare Group for rehabilitation of nine sites located within the City, and other projects such as weed control and planting days, nursery allocation and general depot operation space.
- Delivered ten Club Development workshops for local sporting clubs and community groups, reaching 231 participants across 159 organisations. The workshops covered topics such as social inclusion, disability awareness, Kidsport, mental health, social media and alcohol management.
- Provided support to the Bushcare and Environmental Working Group and 15 Friends Groups with a \$25,000 grant towards rehabilitation activities and coordinating community planting days and materials.

### Guiding community development

Striving to meet the expectation of our growing community, the City continues to plan for services and facilities in both existing and new areas. This year, our work in community development has included the following highlights:

- Delivered eight workshops for volunteers and volunteer managers and referred over 600 potential volunteers to community groups. Hosted an event for volunteers during National Volunteer Week and also Thank a Volunteer Day.
- Installed Christmas Wreaths with images of local volunteers in Jull Street Mall to showcase and acknowledge their contribution to the community.
- Delivered a National Student Volunteer Day event for students to experience volunteering, which involved planting vegetation in partnership with Armadale Gosnells Landcare Group.
- Facilitated meetings and distributed email newsletters for the Armadale Youth Network with local organisations for the purpose of working together on strategic and activity based initiatives.
- The Clubs Forever Network welcomed four new sporting clubs with over 100 clubs engaging throughout the year with the City's club development team.



## Outcome 1.1 (continued)

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### Celebrating our diversity and heritage

Armadale is rich in diverse cultures and heritage, and the City continues its commitment to our eclectic community. During the year the City:

- Delivered a range of programs and activities designed for Aboriginal and Torres Strait Islander people held at the Champion Centre. Including youth development and cultural programs and activities to improve physical and mental health, ranging from cooking lessons and after schools program for parents and grandparents, to playgroup sessions which support women through phases of childbirth, and family history.
- Supported the Heron Park Harmony Festival held at Baker's House in Harrisdale which featured cultural performances, arts and craft stalls, children's activities, multicultural food stalls and a cultural exhibition, with over 3500 people in attendance.
- Supported Piara Masala event, a partnership between the City and the Piara Punjab Club to engage with the growing culturally and linguistically diverse population of Piara Waters and Harrisdale.
- Commenced the review of the Municipal Heritage Inventory (MHI), which describes buildings and places that have played an important role in our history. The MHI guides the future land use, planning development and reuse of heritage buildings in a sustainable manner. Public consultation of the draft MHI is anticipated to take place later in 2018.
- Launched Our Contribution: the BirtwistleWiki – a place to discover people from the Armadale district who served in the Great War 1914 - 1918.
- Integrated the Museum and Art collections into the broader library catalogue providing a single access point for all enquiries.
- Delivered three major exhibitions at History House Museum: *Strange's War: The World War One Cartoons of Ben Strange*; a celebration of the life and work of prominent local woodturner Jack de Vos; and *Wildflowers of Armadale: Fabulous then, Fabulous now*.



## Fostering local pride

The City delivered a wide variety of events throughout the year, many of which are held in City parks including Minnowarra Park, Memorial Park and Rushton Park. These events contributed to connecting and building communities. Highlights throughout the year included:

- A number of annual community events including the Perth Kilt Run and Highland Gathering, Australia Day celebrations, Hawkers Markets, Anzac and Remembrance Days, Christmas Parade and Carols in the Park, Movies in the Park, Dogs' Day Out and more.
- The Armadale Arts Festival featured 49 events over 17 days with a focus on literary creativity which included:
  - Live at The Chapel, featured four musical performances at the Minnowarra Chapel.
  - Fridays@Hidden musical performances at the Hidden Café featured indie rock, hip hop and experimental music themes with 12 local bands.
  - Baroque by Candlelight musical performances at St Mathew's Church featured 30 performers from seven schools and volunteers from two local orchestra groups, with over 250 people in attendance.
  - ReDiscover Mural Art Trail, the creation of five murals by internationally renowned artists in Armadale's City Centre.
- The Armadale Hills Open Studio Arts Trail showcased 50 local artists' art work at various studios across the City, attracting 4826 visitors and resulting in \$60,175 in arts sales. This year the inclusion of an Aboriginal Art studio at the Champion Centre attracted over 200 visitors and \$4000 in art sales.
- Music in the Mall musical performances held weekly over four months in the Jull Street Mall, featured 48 local musicians.
- The Minnowarra Art Awards and exhibition held at the Greendale Centre comprised curator floor talks, artist panel discussions, and professional development opportunities for the Armadale Society of Artists, Positive Ageing High Teas supported by three local high schools.
- Over 140 entries were received for the inaugural Armadale Writers' Awards, from aspiring authors throughout WA.
- 170 entries were received for the Armadale Young Writers' Awards, one of WA's largest competitions for budding young local authors.
- The FOCUS photography competition for amateur photographers ran on the theme of *The City at Play*, celebrating the City's parks, playgrounds, and leisure activities.



## Measure

- TARGET** Improving overall satisfaction with Armadale as a place to live.
- RESULT** Based on the last two Community Perceptions Surveys conducted in 2014 and 2016, there has been a slight decrease from 88% to 86% of respondents who were satisfied with the City as a place to live. This is still considered a high to very high satisfaction rate overall.
- SOURCE** Community Perceptions Survey.



## Outcome 1.2 // Active community life that is safe and healthy

### Recognise, value and support everyone

The City continues to develop services and facilities to cater for and recognise all community members. During the year the City:

- Continued an ongoing project ConnectivED. Telstra partnered with the City to provide loan mobile Wi-Fi devices and free data at the Armadale Library for the duration of the academic year. Ten local students who did not have internet access at home participated.
- Delivered the inaugural youth career development program, Armadale Aspire. Over a six week period the program connected industries with high schools to assist young people in Year 10 to identify career pathways locally through a series of workshops, industry excursions and experiences.
- Partnered in the Armadale Youth Intervention Partnership (AYIP) addressing the needs of youth through a collective approach between key services. This included an intensive school holiday program, the AYIP Breakfast Club, and intensive education support in partnership with a local high school.
- Maintained strong partnerships with developers, designers and contractors to ensure provision of quality public open space that is accessible, functional, innovative and inclusive.
- Delivered upgrades of walkways, tracks and trails, and provided accessible parking in public open space, to improve health and wellbeing in the community.
- Developed an all-abilities playground and associated infrastructure at Lions Park to accommodate wheelchair access which included an all-abilities swing for children who require additional support, sensory and imaginative play equipment, a scooter track, interactive signage and signs providing road safety awareness. Other parks upgraded in 2017/18 catering for all-abilities include Memorial Park and Champion Lakes.
- Engaged with Armadale Youth Network on the Armadale Strategic Metropolitan Centre Structure Plan and what they would like included in the future Armadale City Centre.

### Provide opportunities to improve health outcomes for everyone

The City is committed to ensuring our community is active and healthy. During the year, the City delivered a number of activities and programs to help achieve this, as outlined below:

- Delivered Pole Walking activities to encourage better health to groups in Armadale, Kelmscott and Roleystone with 10 to 20 people participating in sessions.
- Hosted a Diabetes WA Information Session at the Harold King Community Centre, to improve diabetes awareness, 57 people attended.
- Supported access and knowledge about fresh food, nutrition, local produce and healthy menu options through presentations at schools, local sporting clubs, community events, day care centres and shopping centres.
- Supported healthy cooking programs and demonstrations to a broad and diverse audience through Foodbank's Adult Food Sensations Program, healthy living sessions with teenage girls, Jamie Oliver's Ministry of Food Mobile cooking school, Live Lighter presentations, the Blender Bike and healthy catering at events.
- Supported state, national and international health campaigns such as Make Smoking History, Live Lighter, World No Tobacco Day, Mental Health Week, Heart Week, Healthy WA Week, NAIDOC, Road Safety Week, and White Ribbon day.
- Provided community initiatives and research into chronic health issues and services through participation in the Collaborative Care Group based at Armadale Health Service.
- Provided input to WA Aids Council (WAAC) needle syringe exchange program and the shopping centre Smoke Free Zone initiative with East Metropolitan Health Unit.
- Promoted smoke free initiatives that included 'Smoke free zone, Bubbles welcome' at community events, audit of smoking activity in the City Centre and school smoke free artwork initiative.
- Promoted physical activity and active transport programs such as Walk to School Day, Park Run, Bike Week activities as well as the Nightfields and Multisports programs.
- Provided information to visitors and locals on the range of opportunities in the City for physical activity including Get Active Outdoors, Parks Week and Perth Hills Armadale Regional Guide.
- Delivered the first City of Armadale Mental Health week event, held at the Champion Lakes Cultural Interpretive Centre. The focus of the event was Indigenous mental health, to support the local community and to provide access to local mental health support services.
- Provided resources for Armadale Health Service mental health week display.





- Engaged and supported local clubs to participate in a range of health promotion actions such as healthy canteen (safe food handling and healthy options), healthy fundraising options, no smoking signage and safe and responsible alcohol service promotion.
- LIFE program training, a part of Stay on Your feet (falls prevention project), was provided to staff at the Armadale Arena. Local OTs, nurses and physiotherapists from Armadale Health Service and Silverchain attended.
- The Armadale Gosnells Landcare Group, hosted thirteen community planting days. These were publicised on the City's website and provided an opportunity for residents to enjoy the outdoors while enhancing the local environment.
- Construction and maintenance of walking trails and signage throughout the City's natural area reserves ensures the City's assets are safe and accessible by the community.
- Keeping communities psychologically, physically and socially healthy is what the City's parks, pathways, sports fields and civic spaces aim to accomplish. Our parks, gardens, open spaces, facilities and good urban design all contribute to community health and wellbeing and support the liveability of our community.
- Managed large areas of open space (1884ha) through well managed and scheduled operational services, programs and inspections along with the delivery of development and renewal projects utilising a dedicated team of professional staff that provide citywide parks services to our community. The City is proud to play a part in improving quality of life by providing facilities that encourage an active, connected and inclusive community.

### Encourage initiatives to improve perceptions of safety

Our community has identified safety and security as an important priority. This year the City:

- Coordinated White Ribbon Day with a march to raise awareness of domestic violence, commencing in Jull Street Mall and ending in Minnowarra Park.
- Coordinated Street Meet & Greets to promote neighbourhood connection and crime prevention with activities held across various suburbs throughout the City.
- Maintained partnership with Neighbourhood Watch Armadale coordinating a display in Jull Street Mall to promote personal safety with the distribution of 60 handbag alarms, mini window alarms and personal alarms.
- Actively participated in reviewing and updating the State Government's Map of Bushfire Prone Land with State Agencies and Bushfire Management Plans, put in place for new development areas and sites.
- Advocated for the building of the new Justice Precinct, including a new Police Station and Court House.



## Measures

<b>TARGET</b>	Implement key actions of the Health and Wellbeing Plan.
<b>RESULT</b>	The City continued to action 48 key initiatives of the Health and Wellbeing Plan promoting health and wellbeing in the community.
<b>SOURCE</b>	City of Armadale Health Services Annual Report to State Government.
<b>TARGET</b>	Improve resident satisfaction with safety and security.
<b>RESULT</b>	There was a decrease of an overall 10% of respondents in satisfaction with community safety between 2014 and 2016. The 2016 Survey results show an even split of 46% of respondents who perceive community safety positively and 46% who perceive it negatively with 8% non-committal.
	The City has performed a number of traffic audits, identifying priority locations for traffic calming and road improvements in the City. In 2016 the City successfully lobbied State and Federal Governments for funding towards the widening of Armadale Road. The State Government has committed to the delivery of the Justice Precinct with planning underway for implementation in 2019.
<b>SOURCE</b>	Community Perceptions Survey.





## Outcome 1.3 // The community has the services and facilities it needs

### Plan for services and facilities in existing and emerging communities

The City is committed to providing the services and facilities, now and into the future, that our growing community needs. During the year, the City:

- Administered the North Forrestdale Development Contribution Plan to achieve quality built form outcomes for the Harrisdale, Forrestdale and Piara Waters communities.
- Worked with the Metropolitan Redevelopment Authority and land developers to review the Wungong Urban Development Contribution Plan to ensure the emerging communities in Haynes and Hilbert receive the facilities they need.
- Identified sites for an Active-Sporting Recreation – Community Facilities site and a Department of Education Primary School in the Anstey-Keane Precinct in Forrestdale, which is currently being zoned and in the future will accommodate a residential population of 4000.
- Commenced the \$4.1 million redevelopment of the Champion Centre and Seville Grove Library funded by LotteryWest.
- Processed more than 7300 bookings for use of community facilities. Over 600 were one-off bookings for personal events such as birthdays and weddings. Sixteen new community groups entered into regular hire agreements (more than 12 bookings per year), seven were not for profit groups.
- Armadale Arena continued to provide a range of services and facilities and home base for indoor sporting clubs, including gymnastics, junior basketball and roller skating. Over 60,000 patrons attended a variety of programs, fitness sessions, team sports and crèche facilities.

### Delivering quality services for our community

The City is committed to the delivery of high quality services for our growing community. This year the City:

- Coordinated the Armadale Volunteer Service, resulting in over 615 referrals made to community groups, and eight workshops were held for Volunteer Managers (75 different groups were represented).
- Hosted a Volunteer Day and National Volunteer Week event for City volunteers.
- Mentored volunteers in 20 clubs, groups and schools through the Club Abilities project.
- Coordinated the Food Security Program (FSP) through the Champion Centre and Harold King Community Centre. The program assisted over 900 families with food items donated by a local supermarket.
- Over 540 regular and special events were held in the City's libraries, attracting more than 12,000 attendees to a range of author talks, workshops, local history talks, and social groups.
- Library staff visited 109 schools, playgroups, and childcare centres, reaching over 6,100 children and their parents.





### Advocate and share responsibility for service delivery

In partnership with local stakeholders the City advocates and shares responsibility for the delivery of services to our community through partnerships, including:

- Delivery of the Nightfields Program – a joint project with the WA Football Commission, Netball WA, YMCA, Telstra, and Headspace Armadale aimed at engaging youth in sport, recreation and healthy lifestyle activities.
- Coordination of the Armadale Youth Network, which comprises service providers meeting bi-monthly for the purpose of co-ordinating services and programs for local young people. Over 30 organisations participated including eight state government departments, 14 not for profit, all local high schools, eight businesses and six advocacy bodies. The Armadale Youth Network Information Blast is a regular email newsletter distributed to 200 members, with 24 distributed in 2017/18.
- The Armadale Youth Intervention Partnership (AYIP) addressing the needs of young people through a collective approach between key services. This included an intensive school holiday program, the AYIP Breakfast Club, and education support in partnership with a local high school.



## Outcome 1.3 (continued)

### Promote services and facilities available in the community

A primary role of the City is to be a conduit of information about locally available services, facilities and programs to all our residents and community groups, this included:

- Enabling community groups and organisations to increase their reach to members of the community by posting information and images about their events, services and facilities to the City's Facebook page or tagging in the City of Armadale in their posts.
- Informing residents and stakeholders about the services, programs and facilities available through liaison with media and a range of print and digital publications.
- Participating in the *Switch your thinking* program which won the prestigious National Energy Efficiency Award for the Switched on Homes project. For participating households, the program was an energy efficiency trial, in which participating residents received personalised feedback on their electricity use through SMS communication. These included tips to enhance energy efficiency.

- Coordinating the Community Chat email newsletter to over 700 people to promote activities, programs, services and facilities.
- Hosting community contact lunches held monthly at the Harold King Community Centre for community members and service providers to share local knowledge and information.



### Measure

- TARGET** New City facilities and services established.
- RESULT** The Rossiter Pavilion & Playing Field completed.
- SOURCE** City of Armadale Community Infrastructure Plan.



## Outcome 1.4 // The community is engaged and understood

### Consult the community in diverse ways

During the year the City actively engaged with our community on the following issues:

- Coordination of Community Connect events designed to facilitate connection between the City, community groups and other stakeholders including local businesses, with four events held. The Connecting Community and Business Fundraiser attracted 60 attendees comprising 50% community groups and 50% businesses.
- Consulted with stakeholders, landowners and the community to prepare the draft Activity Centre Structure Plan and Design Guidelines (Local Planning Policy), for the Armadale Strategic Metropolitan Centre. This involved a series of briefings and workshops with Elected Members, landowners and key Government Stakeholders, followed by formal advertising in The West Australian and local newspapers and public open day events to discuss various aspects of the project.

- Details of new parks development projects are available for comment and displayed on signage and available via the City's website.
- Surveyed sporting clubs to identify and plan educational workshops to assist with their development.

### Identify our strengths, challenges and opportunities

- History House Museum developed several tactile and inclusive tours to assist the vision impaired community and people living with dementia to access the collection.
- Undertook research and consultation for a suburb level analysis of the City's demographics and social characteristics and published the City of Armadale Demographic Insights.



### Measure

- TARGET** Increasing satisfaction with how the community is consulted about local issues.
- RESULT** There was an increase to 61% in 2016 compared to 59% in 2014 of respondents who were satisfied with how the community is engaged about local issues.
- SOURCE** Community Perceptions Survey.

## Future Direction:

# Environment

The level of care afforded to our natural environment and the way land and physical infrastructure is planned, provided and maintained.

### STATISTICS



874,564  
recycling bins  
collected



1106  
new lots  
created

14.76km  
roads resurfaced



1,709,136  
rubbish bins  
collected

487



development  
applications approved



510.26km  
footpaths maintained

26,460



tonnes of waste  
collected



2327

building  
permits issued

33,848m<sup>2</sup>



verges maintained

\$539,683

illegal dumping  
collection cost

\$341m

value of building  
permits issued



89

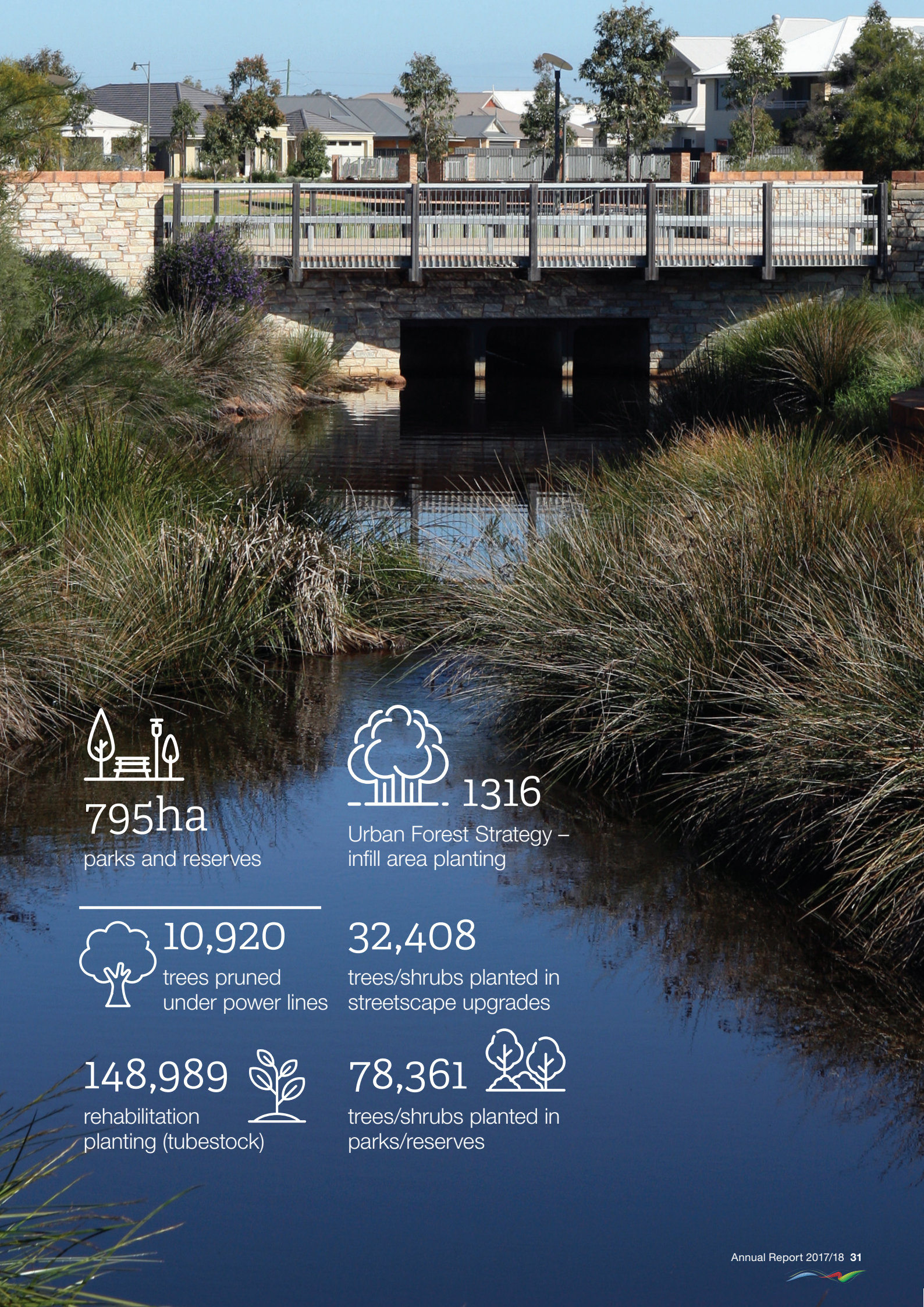
playgrounds  
maintained

9 sustainable  
events



532 attendees





795ha

parks and reserves



1316

Urban Forest Strategy –  
infill area planting



10,920

trees pruned  
under power lines

32,408

trees/shrubs planted in  
streetscape upgrades

148,989



rehabilitation  
planting (tubestock)

78,361



trees/shrubs planted in  
parks/reserves





## Outcome 2.1 // The natural environment is valued and conserved

### Preserving and improving our natural areas

Our natural environment is one of our greatest assets and during the year the City:

- Finalised the Roleypools Heritage Walk Trail Management Plan which will provide a strategic guide to the management of City vested reserves on the Canning River in Roleystone. It includes a schedule for track maintenance, car park upgrades, and revegetation and weed control activities.
- Finalised the Wungong River Concept Plan which will provide future direction in relation to 3.4km of river foreshore trails network, environmental restoration, landscaping improvements, educational signage and cultural heritage signage opportunities.
- Delivered the City's annual Streamcare program, which aims to work with landowners to revitalise local streams and improve habitat value.
- Recommended the Western Australian Planning Commission protect significant vegetation and reserve land for Parks and Recreation Reserves in the Metropolitan Region Scheme at the corner of Keane and Allen Roads in Forrestdale.

### Managing our natural areas and built environment

The City manages and maintains over 1000ha of vested natural areas, aided by the creation, review and implementation of the Bushland Management Plans to protect and enhance our natural areas through effective measurement and delivering environmental monitoring programs. This year activities included:

- Continued to implement Management Plans to address threats such as dieback, weeds and fire in Armadale Settlers Common, Bungendore Park, Lloyd Hughes, Fletcher Park, Forrestfield Complex Reserves, Creyk Park, Kendal Court, Eva and Bill Moore Heathland, Bob Blackburn Flora Reserve, Camillo Reserve, John Dunn Reserve and Depot Bushland.
- Ongoing engagement with the Metropolitan Redevelopment Authority, landowners and developers to ensure the appropriate management of environment values within the Wungong Redevelopment Area.

### Ensure that developments are sensitive to pre-existing environmental values

The City continues to apply best practice in relation to new development areas and where possible, remnant vegetation is protected through the appropriate provision of public open space. In addition, natural wetlands are enhanced through the application of City Policy PLN2.6 *Water Sensitive Urban Design*. This year the City:

- Finalised the Hilbert Road Wetland Management Plan. The document outlines environmental restoration activities to be implemented in and around the wetland.
- Endorsed the Wungong River Concept Plan, which provides an indication of the standard of foreshore restoration works required from developers in the adjacent Lake Road Precinct.
- Continued to consult during the planning stage of Capital Works projects, State Government agencies such as Department of Biodiversity Conservation and Attractions and Department of Planning, Lands and Heritage ensuring both environmental and cultural values are protected during implementation.
- Progressed planning for the new Anstey-Keane Residential Precinct Forrestdale currently undergoing Town Planning Scheme zoning changes, which has incorporated environmentally sensitive areas of wetlands, native vegetation and buffers to be set aside, retained and protected as urban development progresses.
- Initiated the Town Planning Scheme Amendments that include provisions requiring environmental protection and management of pre-existing environmental values through structure planning and subsequent subdivision development planning for Amendment No. 96 – Anstey-Keane Residential Precinct Forrestdale and Amendment No. 88 – Lake Road Residential Precinct, Champion Lakes.







## Measure

- TARGET** Satisfaction with conservation and environmental management is improved.
- RESULT** There was an increase up to 83% in 2016 compared to 77% in 2014 of respondents who were satisfied with conservation and environmental management.
- SOURCE** Community Perceptions Survey.

### Minimising our carbon footprint

The City operates and maintains flaring infrastructure at the Hopkinson Road Landfill and Recycling Facility, which continues to abate carbon at a rate of 13,000 tonnes per annum. During the year the City:

- Contributed \$122,000 toward the *Switch your thinking* program, an initiative of the City of Armadale, City of Gosnells and the Shire of Serpentine Jarrahdale working together as the South East Regional Energy Group. The objective of the *Switch your thinking* program is to work with government, business, industry, community groups and individuals to reduce greenhouse gas emissions and contribute to global efforts to secure a safe climate.
- Partnered with *Switch your thinking* and hosted renewable energy sessions at Armadale Library to educate the community on the emerging technology of residential renewable energy storage. *Switch your thinking* won the prestigious National Energy Efficiency Award for the Switched on Homes project. The program was an energy efficiency trial, in which participating residents received personalised feedback on their electricity use through SMS communication. These included tips to enhance energy efficiency. *Switch your thinking* won a Federal Government Smart Cities and Suburbs grant to utilise smart technology and innovative communication techniques to promote the installation of lighter coloured roofs and green home design to residents building in the City.



## Outcome 2.2 // Attractive and functional public places

### Delivering attractive and functional streetscapes, open spaces, City buildings and facilities

The City continued to enhance attractive spaces for community members of all ages to connect, some highlights this year included:

- Upgrades to key local roads through coordination of pavement upgrade works and traffic calming measures delivered as part of the City's streetscape improvement program. In 2017/18 this included upgrades to the Jarrah Road Streetscape in Roleystone to improve pedestrian connectivity between Cross Park and the local shopping centre, as well as significant upgrades to Westfield Road in Kelmscott.
- Continuing to implement the City's Urban Forrest Strategy with 2000 street trees planted during 2017/18 resulting in 46% urban tree canopy cover throughout the City; a 13.2% increase since monitoring commenced.
- Continuing to work with developers to ensure Public Open Space (POS) within new residential developments meets the City's standards, with a number of new POS areas being developed in 2017/18 – including the opening of Shipwreck park in Sienna Wood.
- Working closely with developers and other project teams, particularly in the new development areas of Piara Waters, Harrisdale, Seville Grove, Hilbert and Haynes, to ensure that health benefits of green spaces are maximised and future opportunities are not lost through short sighted urban development decisions.
- Delivery of the \$7.3 million Rossiter Pavilion in Piara Waters, the second of nine planned shared-use community facilities with the Department of Education. The facility includes sporting amenities such as showers and change rooms and community spaces including outdoor playground and community halls that can facilitate functions and sporting events.

### Protect and enhance the character of the City's spaces and places

The City continues to enhance the local character through the development of parks and streetscape improvements that utilise local materials and careful plant selection to reflect and enhance the existing environmental and cultural local character.

The City offers ongoing enhancement of the local character through the design and implementation of particular park improvement projects such as the Migrant Park Upgrade and Kelmscott Entry Statement. These projects will further enhance the existing character and recognise the historical significance of these sites.

### Revitalise existing neighbourhoods whilst retaining the character of places

The City updated the Parks Facilities Strategy to formalise a renewal process for prioritisation of upgrades of existing parklands city wide, within the older established suburbs and newly developed areas. A number of park upgrades have been facilitated through the City's POS Strategy and Cash in Lieu funding which have led to improvements within existing neighbourhoods. Upgrades and renewal of facilities during 2017/18 include:

- Upgrades to Bryan Gell Reserve and Paterson Park amongst others, have significantly enhanced the immediate surrounding neighbourhood and provided needed amenity for the community.
- Major upgrades to five major park reserves within the Kelmscott locality under Precinct F of the City's POS Strategy. This included new and enhanced play-spaces, picnic shelters, shade sails, landscaping and revegetation, access, fencing, pathways and tracks, signage and fire management planning at a cost of \$700,000.
- Developed a draft Local Planning Policy for Percent for Public Art PLN 3.11 which was advertised for public comment. The policy requires private developers of eligible developments to contribute to public art in the City by providing an art installation on site or by a monetary contribution to the City's pooled funds which will support the creation of new public artworks within the City.





## Measure

- TARGET** Satisfaction with parks and streetscapes is improved.
- RESULT** Satisfaction remains consistent between 2014 and 2016 with 82% and 81% of respondents satisfied with the City's streetscapes. Parks upgraded in 2017/18 included Bryan Gell Reserve and Paterson Park. Community feedback has been extremely positive with these upgrades leading to a sense of pride in the surrounding areas.
- SOURCE** Community Perceptions Survey.



## Outcome 2.3 // Well managed infrastructure

### Applying best practice design and construction methods for infrastructure

The City continues to improve civil construction design and construction methodology to improve asset design life and levels of service. This year highlights included:

- Specialist internal Landscape Architects and a range of external consultants ensure compliance with various legislative requirements, Australian Standards, and the Building Code of Australia, ensures infrastructure is safe, fit for purpose and utilises materials, methodologies and finishes that maximise useability/function, aesthetic appeal and importantly maximise asset life cycles and reduced or sustainable maintenance costs.
- Engaging with internal and external stakeholders for all key high value projects to ensure the delivered infrastructure considers relevant Council policies/strategies, meets or exceeds community needs and expectations, and is delivered on time and on budget.

### Ensuring maintenance activities address required levels of service

The City aims to fulfil Council's strategic objectives through sound management practices that have enabled delivery of programmed works and parks maintenance within agreed service levels. The City maintains new and existing public parks, reserves, natural areas, sports fields, streetscapes and gardens to the highest standard. The City reviews its management practices and programs regularly and continues to measure performance and benchmarks, making sound and informed decisions which assist with determining improvement programs to achieve best practice. Levels of service are generally consistent with the industry and managed by scheduled maintenance regimes and interventions.

### Developing and implementing asset management plans

For the 15 year period 2018 to 2032, the City's population is set to increase by 45,125 residents to 135,698. During the same period the City's infrastructure portfolio will increase by \$389 million from \$1,389 billion to \$1,778 billion. This year the City:

- Adopted Asset Management Plans for roads, drainage, pathways, buildings and parks that address current levels of service and how they are to be monitored to determine whether they meet the needs of residents and further, whether they comply with current technical and safety standards. These plans outline the demand for renewal and maintenance/operating funds over the 15 year period 1 July 2017 to 30 June 2032 and the ability of the City to meet these demands to ensure sustainability of the asset portfolio over the short term.
- Adopted a longer term approach outside of the Asset Management Plans which include the potential demand for renewal funding over a 50 year period from 1 July 2016 to 30 June 2065 to enable it to manage the long term sustainability of its asset portfolio and to ensure that the highest possible levels of service can be provided to residents into the future.

### Developing our long term transport network requirements

The City continues to assess and manage the future transport needs of the City. This year activities included:

- Being a leader in key negotiations with the upgrade of road infrastructure for the Wungong (Hilbert and Haynes) development area.
- Liaising with Main Roads WA on the delivery of the Armadale Road duplication works, to ensure optimal outcomes for the City.



## Measure

**TARGET** Consistent upward trend in three year rolling averages in Asset-related Financial Ratios.

**RESULT** Ongoing maintenance and refurbishment program for all City assets.

**The Asset Consumption Ratio** measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The Department of Local Government, Sport and Cultural Industries (DLGSCI) Target is 0.60 to 0.75.

2018	0.76
2017	0.75
2016	0.75

**The Asset Sustainability Ratio** indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. The DLGSCI Target is 0.90 to 1.10. The indicators are below target as many of the City's assets are generally in the early stages of the asset lifecycle.

2018	0.44
2017	0.52
2016	0.78

**The Asset Renewal Funding Ratio** is a measure of the ability of a local government to fund its projected asset renewal/replacements in the future. The DLGSCI Target is 0.95 to 1.05.

2018	1.48
2017	1.55
2016	1.39

**SOURCE** City of Armadale Annual Financial Statements.



## Outcome 2.4 // Best Practice Waste Management

### Applying effective waste collection methods

Existing waste collection methodology has been refined through the development of innovative practices such as the implementation of early morning starts and a Noise Management Plan. This resulted in improved traffic flow on distributor collection roads (such as Streich Avenue) during peak hours, as well as changes to some routes around school areas leading to an improvement in traffic flow during school pick up and drop off times.

### Maximising recycling opportunities

The standard recycling practices of the collection and recycling of plastic, glass, cardboard, green waste and building rubble continued through the year. The City continued to improve recycling initiatives and this year purchased a polystyrene compactor to divert polystyrene from landfill. When compacted, polystyrene has a resale value as a recyclable material.

### Improving waste disposal practices

Consultants have been appointed to develop the City's Strategic Waste Management Plan and the Landfill Development Plan. This study will look at different ways of dealing with organics, the effect of state policy on the service, long term verge collection options, waste transfer station and recycling options.

### Applying effective waste administration

- The development of the Strategic Waste Management Plan and the Landfill Development Plan will assist in ensuring the administration of the City's Waste Services is to a high standard and will also result in an updated Long Term Financial Plan for Waste Services.
- In addition during 2017/18 the City updated the tender and contract specifications on the new recycling collections tender which was advertised towards the end of 2017 with a new contract being awarded early in 2018. A new tender and contract for operating and maintenance of the landfill flare were also prepared and a new contractor will be appointed in the new financial year.



## Measure

**TARGET** Diminishing percentage of collected waste deposited in landfill (towards zero).

**RESULT** A meaningful reduction in the percentage of waste (total waste less exempted waste) diverted to landfill. This figure does coincide with a reduction in the tonnages of household waste being collected, which may relate to the smaller households in the newer suburbs, but this trend will be monitored closely. It is further anticipated that with the introduction of the Waste to Energy plant coming on stream in 2021, that all household waste will be diverted from landfill, with only inert materials being placed in landfill.

	Total Accepted Waste less Exempted Waste	Growth in Tonnes	Percentage %
2017/18	40,938	-847	-2%
2016/17	41,785	4,424	12%
2015/16	37,361		

**SOURCE** City of Armadale Annual Report.



## Outcome 2.5 // Quality Development Outcomes

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### Implementing and administering the Town Planning Scheme and Local Planning Strategy to deliver quality development outcomes

The City promotes high standards of development and appropriate sustainable uses of land to ensure quality developments as the City continues to grow. Highlights during the year included:

- Significant progress has been made to achieve the objectives of the City's Local Planning Strategy with the progression of planning and future growth of the Armadale Strategic Metropolitan Centre via the preparation of the draft Activity Centre Structure Plan and Design Guidelines. Following a series of briefings and stakeholder, landowner and Elected Member workshops, a draft Activity Centre Structure Plan and Design Guidelines were prepared and formally advertised for public comment in May and June 2018. The Plan anticipates the extension of the Armadale to Byford passenger rail line and advocates for the grade separation of Armadale Road, Church Avenue and Forrest Road through sinking the railway line and Armadale train station to create a new Town Centre and creating six at-grade links east to west of the train line. The proposal optimises the infrastructure required to extend the Armadale to Byford line by identifying significant potential benefits for the future growth of the City Centre which includes:
  - Extension of the passenger rail line from Armadale to Byford.
  - Proposing the undergrounding of the Armadale Train Station and creation of a new Town Square linking Jull Street Mall to the MRA's West of Rail precinct.
  - Future expansion of the Civic Precinct by the City of Armadale that will enable new modern civic buildings and high quality office space to house State Government Administration and Private Business.
  - Facilitating expansion of the retail, commercial and entertainment core from 50,000sqm to 300,000sqm by 2050 to support a working population of up to 18,000 people.
  - Ability to create developable space to cater for modern Tertiary Education facilities.
  - Facilitating expansion and diversification of housing (approximately 3,500 dwellings) that include apartments and short stay accommodation for a population of 7,000 people.
  - Establishing a framework for the creation of a legible, green and high quality public realm throughout the City Centre enhancing place activation, recreation and entertainment opportunities.
  - Potential for private sector investment estimated at \$2.2 billion.
- The City anticipates Council supporting an updated Activity Centre Structure Plan and Design Guidelines in August 2018, with a final decision by the Western Australian Planning Commission by early 2019.
- Liaising with the MRA, Department for Communities and Stocklands to commence planning for the Wungong District Centre at Sienna Woods. The draft Structure Plan is under review and proposes Main Street style shopping, connection to parks (Shipwreck Park) and a variety of residential housing including single, two bedroom and three bedroom offerings.
- Collected contributions of \$6 million from developers, through the Development Contribution Plan (DCP) No.3 in Harrisdale and Piara Waters. During the year the DCP contributions assisted the following projects:
  - Completion of the \$7.3 million Rossiter Pavilion and Playing Field.
  - Planning and Design for the \$1.3 million Piara Waters South East Playing Field (Novelli Reserve).
  - Road upgrades of \$1.3 million.
  - Drainage upgrades and Water Monitoring \$800,000 across Piara Waters and Harrisdale.
  - Land Acquisitions \$560,000.
  - Piara Waters and Harrisdale Multiple Use Path Network extensions \$240,000.
  - Planning and Design for the \$6 million Balannup Road upgrade.
  - Planning and Design for the \$3.2 million Skeet Road north upgrade.





- Recommended for approval the revised Structure Plan for the Harrisdale District Centre which facilitates stage two of the expansion, creating a tavern, child care centre, discount department store and a variety of additional retail and food shops.
- Amended the South East Structure Plan for North Forrestdale Stage 2 at Armadale/Nicholson Road, Piara Waters to reclassify the centre as a Neighbourhood Centre with an increase in maximum retail floor space serving the burgeoning neighbourhood with a variety of commercial opportunities including food premises, a petrol station/ convenience store, a child care centre, medical centre and a small floor space area for Bulky Goods Showrooms.
- Finalisation of Amendment No.86 to bring TPS No.4 Scheme text into conformity with Schedule 2 (Deemed Provisions) of the Planning and Development (Local Planning Schemes) Regulation 2015 and improve the operation of the City's Town Planning Scheme No.4.
- Amended Planning Policy 3.2 – PLN Child Care Premises to include criteria to guide the establishment of family day care centres and to assist applicants in the preparation and lodgement of such applications.
- Engaged in working groups with several key stakeholders, including the State Government's Metronet Team to develop optimal solutions for the grade-separation of the Denny Avenue passenger rail crossings in the Kelmscott Town Centre and future grade separation of Armadale Road, Forrest Road and Church Avenue within the Armadale Strategic Metropolitan Centre. The City has been successful in advocating for the establishment of an underpass at Davies Avenue for Kelmscott and closure of the Denny Avenue crossing announced by the State Government in July 2018 with construction due to commence in 2019.
- Determined a total of 830 Planning Applications for various residential, commercial and industrial developments.
- 84% of Development Applications were determined, within statutory timeframes.
- Investigated 316 Planning Compliance related matters encompassing a range of unauthorised land use and or development activities.



## Measure

- TARGET** Improve the regulatory framework and timeframes for applications.
- RESULT** The City has developed and adopted formal processes and workflows for the main approval processes. Real time tracking of the approval process and performance reports is currently under development. The City's Local Planning Strategy and Scheme Review Report has been approved by the State Government and implementation is underway. Reviewed Planning Polices.
- SOURCE** City of Armadale records.

### Implementing and administering the Building Act to meet community and building industry needs

The City promotes high standards of development and appropriate sustainable uses of land to ensure quality developments as the City continues to grow. During the year highlights included:

- A further 1106 lots were created, placing Armadale as one of the fastest growing Councils in Australia again.
- Received, assessed and determined 2399 building applications within the 2017/18 financial year, 2327 resulted in approval and were determined within the applicable legislative timeframe. As a growth council the City continues to process a consistent volume of applications, the Building Permits that were issued represented a \$341 million investment into the City.
- Completed 2083 inspections of private swimming pools, spas and associated safety barrier fencing. Additionally, reported zero overdue inspections to the Department of Mines, Industry Regulation and Safety.
- Investigated 466 Building Compliance service requests, of which 232 related to unsecured builder's rubbish. Liaised regularly with builders to have rubbish appropriately contained to reduce costs. The remaining service requests resulted in 87 applications being made for retrospective approval relating to unauthorised building works.



# Future Direction: Economy

A strong economy that improves employment opportunities and also provides regional services, facilities and infrastructure.

## STATISTICS



**\$2,710m**

GRP (an increase of 1.4% from 2016)

**1,992**



new ABNs registered



**\$341m**

value of total building permits

**4,550**



number of businesses  
(an increase of 5.2% from 2016)



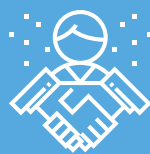
**91,668**

estimated population  
(30 June 2018)



**33,016**

Visitors Centre customers



**20,985**

local jobs  
(an increase of 4.35% from 2016)



**\$400,102**

median house price

**51,245**

page views at  
[perthhillsarmadale.com.au](http://perthhillsarmadale.com.au)



**41,389**

employed residents  
(an increase of 2.5% from 2016)



**\$300**

median house rental value  
(per week)





## LARGEST INDUSTRIES BY EMPLOYMENT

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17%	Health Care & Social Assistance
16.8%	Education & Training
15.3%	Retail Trade
9.2%	Construction
8.2%	Accommodation & Food Services



## Outcome 3.1 // Economic Growth

### Promoting Armadale and its potential business opportunities

The City is committed to providing clear direction for business growth and job generation and guides sustainable growth throughout the City. Achievements this year include:

- Development of a new Business Investment Prospectus, highlighting key industries, emerging industries, advocacy and infrastructure projects which will be distributed to potential investors.
- Distributed over 200 Business Investment Prospectuses to a variety of industry stakeholders and investors such as tertiary education and training providers and building and construction companies.
- Developed the City's new Economic Development Strategy 2018 – 2022, which contains three outcome areas and 39 individual actions, with annual KPIs.

### Investigating public and private capital opportunities in the South East Metropolitan Region

The City continues to play a significant strategic role in promoting regional development opportunities in Armadale and the south-east Corridor, and initiatives this year included:

- Updated the Business Precincts Report Cards and distributed digitally and via mail, including an overview of Forrestdale Business Park, South Armadale Industrial Area, South Forrestdale, Rowley Road Precinct and Kelmscott Industrial Area.
- Bi-monthly All About Business email newsletter distributed to over 850 businesses.
- Continued research and investigations into the need and opportunity for the development of a higher education facility in the City.
- Lobbied higher education providers to consider Armadale for the creation of a higher education facility and continued discussions and meetings with key universities.

### Developing, maintaining and fostering relationships with local and target industries

The City is committed to showing leadership and championing and promoting the local economy to stimulate, attract and maintain business activity and investment in Armadale. This year the City:

- Delivered a Connecting Community and Business Sundowner, bringing together over 60 attendees, from local community groups and businesses to discover how they can develop mutually beneficial partnerships.
- Updated various fact sheets and prospectuses with current information and data, for distribution including Key Statistics and an Economic Snapshot of the City, fact sheets for suburbs and a Business Investment Prospectus.
- Delivery of regular All About Business email newsletter, sent electronically to 845 subscribers.
- Providing up to date information on the Economic Development pages on the City's website (i.e. business grants section, statistics and trend section), Forrestdale Business Park Development Application Report and Addresses, updating of intramaps page created for Forrestdale Business Park – identifying vacant lots and some businesses already developed and updating of links to commercial and land sales.
- Continued to work with Business Armadale to promote their events to our business networks, with eight successful events delivered in 2017/18.
- Provided support to the Armadale Gosnells Landcare Group, Bushcare and Environmental Working Group and 15 Friends groups in the City. *Switch your thinking* recognised local businesses Altruist Furnishings and Mundarad Child Care Centre for their efforts to reduce their environmental impact. In addition, The Last Straw campaign was launched to assist local venues, restaurants and cafes to reduce their plastic waste. Community meetings, workshops and seminars are regularly held throughout the local area at local business premises that help improve the local economic growth.



### Measure

**TARGET** Increasing trend in the three year rolling average of Gross Regional Product per head of population.

RESULT	Year ending 30 June	Ave GRP per Head of Population	% change from previous year
	2017/18	32,372	-0.51%
	2016/17	32,537	+1.39%
	2015/16	32,091	+1.60%

**SOURCE** Economy ID.

## Outcome 3.2 // Diverse Employment and Education Opportunities

### Facilitating access to business skills enhancement and development opportunities

The City partnered with stakeholders to deliver a range of initiatives during this year that included:

- Partnered in the Small Business Development Program with Business Foundations to provide training to small businesses, with six workshops held during the year attracting 98 attendees.
- Hosted a Starting a Business workshop in collaboration with Small Business Development Corporation (SBDC) and Shire of Serpentine Jarrahdale to provide training for local members of the public and businesses within our region, with 35 attendees.
- Sent letters to 1,992 new ABNs registered in the City, providing information on business in Armadale, as well information about Business Armadale.

### Facilitating and advocating for a full range of education and training opportunities

One of the key priority areas of work in economic development is advocating for increased employment and educational opportunities for our residents. This year the City delivered a host of programs and activities as follows:

- Armadale Aspire, a youth career development program for local year 10 students was rolled out. Twenty students visited a range of industries, participated in team bonding activities, and undertook career development workshops, including resume writing and interview techniques. Six local high schools were involved (Armadale SHS, Cecil Andrews College, Southern Hills Christian College, Kelmscott SHS, Roleystone Community College, Carey Baptist College) and four local businesses (Beaver Tree Services, Daly and Shaw, Armadale Kelmscott Hospital and Alita Construction). Three students received work placement opportunities, three were nominated for the Armadale Young Citizen of the Year awards and several had interviews or gained casual employment as a result of the program.
- Ongoing discussions with ECU regarding a higher education presence in Armadale. Site visits and a feasibility assessment were conducted with ECU.
- Developed the justification and the need for tertiary education facilities and upgraded technical and further education opportunities in the draft Armadale Strategic Metropolitan Activity Centre Structure Plan.



### Measure

**TARGET** Local jobs numbers improved.

**RESULT** Year ending 30 June 2017    % change  
 20,985                                    +5.37%

**SOURCE** Economy ID.



## Outcome 3.3 // Public Infrastructure that supports Economic Development

### Facilitating and advocating for an efficient movement network connecting employment and business opportunities

The City is committed to improving accessibility for our residents to job opportunities in the southern corridor. Some of the activities this year included:

- Highlighted three key transport infrastructure requirements in the City's Advocacy Strategy: the Armadale passenger rail line upgrade and extension to Byford, including a new Wungong Station; the Tonkin Highway extension to South Western Highway; and the Rowley Road Corridor – freight link to Westport.
- Developed a joint advocacy program and marketing collateral with Shire of Serpentine Jarrahdale for the extension of the Armadale passenger rail line to Byford, and the Tonkin Highway extension.
- Prepared and distributed the South East Link advocacy document to key stakeholders.
- Worked with NGAA to have:
  - the Armadale passenger rail line upgrade and extension to Byford, including a new Wungong Station, included in their 2018/19 Federal Budget Submission.
  - the Armadale Activity Centre and undergrounding of the rail line included in the Transformational Infrastructure Projects in Australia's Fast Growing Outer Suburbs research report, designed to identify transformational projects within Australia's outer suburban high growth LGAs.
- Engaged with the Metronet Team to develop optimal solutions for the grade-separation of the Kelmscott Town Centre Denny Avenue passenger rail crossings and the future grade separation in the Armadale Strategic Metropolitan Centre at Armadale Road, Forrest Road and Church Avenue and extension of the electrified passenger rail service to Byford.

### Developing and maintaining intergovernmental economic development relationships

- Continued to attend meetings and contribute to the Grow South East group, which encompasses eight local government areas: City of Armadale, City of Belmont, City of Canning, City of Gosnells, City of Kalamunda, Serpentine Jarrahdale Shire, City of South Perth and the Town of Victoria Park, to highlight the economic strengths and value of the region, to information share and to work together on strategic outcomes designed to benefit all members.
- Contributed to government policy reforms, through participation in forums and written submissions on a number of planning reforms, aimed at greater efficiencies and cutting regulatory red/green tape requirements.





### Advocating appropriate Information and Communications Technology (ICT) infrastructure to support industry and business

The City assisted the Federal Government in promoting the rollout of the National Broadband Network (NBN) across Armadale by:

- Promoting the rollout of National Broadband Network (NBN) across Armadale via the City's website and to businesses through the All About Business Newsletter.
- Engaging directly with the Metropolitan Redevelopment Authority and key land developers (Peet, Urban Quarter, Stocklands) to undertake a review of the Wungong Developer Contribution Scheme.

### Identifying critical infrastructure needs to facilitate growth

- The City continued to work with the respective State authorities towards the final solution including design and construction of the Denny Avenue level crossing, a project included in the State sponsored Metronet projects.
- Advocated for improvements to key roads, (Tonkin Highway Extension) and rail (Byford Rail Extension) infrastructure, with the Shire of Serpentine Jarrahdale entitled Lets Sell the SEL (South East Link) advocacy program. The Federal Government provided \$253 million in the 2018/19 Federal Budget for the extension of Tonkin Highway from Thomas Road to South West Highway.
- Construction began on Stage 1 – Dualling of Armadale Road in late 2017, with an expected completion in late 2019. This followed our successful collaboration with the City of Cockburn for Federal and State Government funding totalling \$392 million which was secured as part of the Community Connect South advocacy campaign. The new Armadale Road bridge and freeway interchange to link Armadale Road with North Lake Road in Cockburn is scheduled to commence following the completion of Stage 1.



### Measure

<b>TARGET</b>	Number of businesses in the City of Armadale maintained or improved.	
<b>RESULT</b>	Businesses Year ending 30 June 2017	% change from previous year
	4,550	+4.28%
<b>SOURCE</b>	Economy ID.	



## Outcome 3.4 // A Desirable Destination

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### Promoting the district and opportunities for visitors to the region

The City continued to work with industry to reposition Armadale as a key part of the Perth Hills tourism region and develop marketing campaigns in key tourism publications. This work included:

- The Perth Hills Armadale Visitors Centre (PHAVC) conducted successful tourism pop-up booths and displays at the 'Its Yates Springtime' at Araluen Tulip Festival and the Kelmscott Agricultural Show, to promote Armadale as a desirable tourism destination. This resulted in an increasing number of subscribers to the Tourism e-news and attracted coach groups to the PHAVC.
- The Spring into Armadale brand now has an active presence in the Hello Perth publication, with 300,000 copies distributed through domestic and international airports and a broad range of tourism outlets across metropolitan Perth and regional WA.
- Delivery of the digital, print and event components of the Spring into Armadale campaign, some key outcomes included various print and media promotions via local newspapers and letterbox distribution; pop-up displays at the Araluen Tulip Festival, Kelmscott Agricultural Show and Perth Hills Festival. Social media and digital marketing campaign on one platform reached 1.4 million.
- Commenced a Wayfinding Pedestrian signage project, with an audit of the locations and technical aspects of the project completed.
- Developed and implemented a Digital Content Strategy to improve our tourism marketing and promotions in a variety of digital platforms.

### Leveraging existing strengths to diversify and expand tourism product in the region

The Perth Hills Armadale Visitor Centre (PHAVC) membership program was updated and targeted to tourism operators across the wider Armadale region, resulting in attracting new members from outside the Armadale local government area. Some highlights included:

- Providing quarterly training workshops, by industry experts at the PHAVC, for members to upskill in the digital space. Google Business Workshops and social media 101's were delivered to 35 members.
- Developing a geocaching trail, based around the City's urban art mural project. The trail attracted visitors online and to Armadale to participate in the experience. A school holiday campaign was delivered to launch the experience and gained significant media coverage in local community newspapers and online.
- Continuing to enhance and further develop the Perth Hills Tourism Collaboration Project, which commenced in 2016/17 with the City of Kalamunda and the Shire of Mundaring.
- Facilitated workshops to progress a formalised partnership proposal to position Armadale as part of the Perth Hills tourism brand and precinct. The project is developing in liaison with additional neighbouring LGAs along with Destination Perth and Tourism WA.





## Measure

**TARGET** Annual visitation numbers to the Armadale visitor Centre are improved.

<b>RESULT</b>	Year ending 30 June 2017	% change from previous year
	36,453	+84.32%

**SOURCE** Visitor Centre daily data collection.



# Future Direction: Leadership

Effective leadership and professional governance, together with efficient administration of Council resources.

## STATISTICS



130,276

newsletters sent

978,872

visits to City  
website pages



22,650

facebook followers  
(approximate)



291

new households  
registered for eRates

246



positive  
media stories  
published

9,254



households on direct  
debit arrangements

26,000



in person enquiries

854,000

incoming emails



\$66.2m



capital expenditure  
budget

\$10.2m

civil works  
program



208,000

incoming calls

\$1.4m



installation/renewal  
footpaths and  
cycle paths



\$6.5m

program for parks  
and reserves







## Outcome 4.1 // Visionary Civic Leadership and sound Governance

### Fostering and advocating strategic alliances that promote local and regional development

The City continues to work collaboratively with bodies, groups and people who can assist us to deliver the outcomes our community needs and deserves.

- The City worked proactively as a member of the National Growth Areas Alliance (NGAA) and the Growth Alliance Perth and Peel (GAPP) to ensure State and Federal governments are aware of the needs of outer metropolitan growth areas. The City aims to ensure funding commitment for the infrastructure and services our communities need, and provide them the same quality of life enjoyed by more established inner City communities.
- The City worked collaboratively with surrounding local governments on specific projects which bring value to our community. These included:
  - Advocating for extensions and improvements to road (Tonkin Highway Extension) and rail (Byford Rail Extension) infrastructure with the Shire of Serpentine Jarrahdale, through the Lets Sell the SEL (South East Link) advocacy program.
  - Collaboration with the Cities of Victoria Park, Canning and Gosnells and Shire of Serpentine Jarrahdale to advocate for the Metronet project upgrade of the Armadale passenger rail line and its extension to Byford.
  - Working with the Cities of Swan, Kalamunda and Gosnells and Shires of Mundaring and Serpentine Jarrahdale to investigate opportunities for a Perth Hills Tourism Alliance, to build a united Perth Hills tourism brand and ensure the Perth Hills region becomes recognised as a key tourism destination in Perth.
- The City joined 70 other Local Governments, leading the way on tackling climate change, to become a member of the Climate Council's Cities Power Partnership program. Conferences, workshops and symposiums are attended by City Officers to increase personal development, interagency networking and industry standards.

### Make decisions that are sound, transparent and strategic

The City continues to review all of its local laws and in 2018 an eight yearly review of the following was completed:

- Health Local Laws
- Street Numbering Local Law
- Environment, Animals and Nuisance Local Law.

In addition an eight yearly review was commenced for the following;

- Bush Fire Brigades Local Law
- Dogs Local Law.

The City continued to deliver training sessions on procurement to promote the corporate standards of probity, ethics and transparency and accountable decision making. Additional training, targeting specific areas of procurement has also been introduced.

The City reviewed our processes to including updates to procurement templates.

Our print production service continued to introduce new technology which is enabling more opportunities to provide an innovative and professional service. The service is now being offered to other local governments enabling us to offset some of the City's costs.

### Support the role of the elected body

Section 5.103 of the *Local Government Act 1995* requires that every local government prepare a Code of Conduct to be observed by Elected Members and Staff.

The Code provides a guide and outlines expectations for Elected Members, committee members, staff and volunteers. Encouraging a commitment to ethical and professional behaviour, the Code also outlines principles in which individual and collective Local Government responsibilities may be based.

The Council has established five committees to provide advice and support on issues and activities and to contribute towards the planning and delivery of services. Membership of each committee consists of Elected Members only and is determined by appointment of the Council. None of the committees holds delegated authority to exercise the powers and discharge the duties of the local government.

In addition to these committees, there are a number of internal advisory groups, external working groups and local organisations, most of which have Elected Member representation.

The City is divided into seven wards with representative Councillors elected to their respective ward. The City's ward structure was last reviewed in 2017 and the next review is due in 2019, prior to the 2019 local government election.

Ordinary local government elections are held every two years on the third Saturday in October, with half of the available Councillor positions being contested. Each successful Elected Member is appointed for a term of four years. Any eligible elector of the City of Armadale can nominate for election. The next ordinary local government election is due to be held on 19 October 2019.

Elected Members are offered a range of professional development courses through the WA Local Government Association. These courses are designed to provide essential knowledge and skills to support Councillors to perform their role. Two of the City's Elected Members are working towards achievement of the Diploma of Local Government (Elected Member) qualification. Elected Members also take up the opportunity to attend conferences and seminars pertinent to the local government industry.

*Our vision is to provide leadership, facilities and infrastructure that will serve the needs of our local and wider communities.*



### Measure

<b>TARGET</b>	Satisfaction with Council's leadership within the community is improved.
<b>RESULT</b>	Satisfaction with Council's leadership improved from 67% in 2014 to 73% in 2016 according to respondents to the Community Perceptions Surveys.
<b>SOURCE</b>	Community Perceptions Survey.



## Outcome 4.2 // An innovative and progressive organisation

### Recruiting and developing a skilled and capable workforce

During the year, 70 vacancies were advertised resulting in 2,129 applications, giving an average of 30 applications per position. The average amount of time to recruit staff is seven weeks.

The City's Human Resources policies and practices are continually reviewed and updated to reflect changes in industrial agreements. Council policies, award requirements and entitlements are facilitated and implemented in a timely and professional manner with a continuous understanding of relevant industrial relations practices. No industrial relations disputes were lodged with the Fair Work Commission.

The City has continued to deliver a suite of training and development courses ranging from an Induction for new staff to Post Graduate Education for Civil Engineers and Managers.

### Implementing business plans and practices that improve service delivery

- During 2017/18 all enquiries received via third party reporting tools, (e.g. Snap Send Solve, LocalEye) were centralised to the Corporate Customer Services team, with over 250 enquiries from these externally delivered services.
- E-Rates continued during 2017/18 with 372 successful residents applying to receive their rates notice more efficiently and directly to their personal electronic mail box. E-Rates is cost effective, with a reduction in postal costs, and further reduces the impact on the environment through reduced paper consumption and wastage.
- The City's KnowledgeBase software system was enhanced during 2017/18 with over 500 articles now available to City Officers. The system is a web-based knowledge management system to support and enhance the organisational processes of knowledge sharing that assists staff to find customer information faster, reduce enquiry handling times, improve decision making processes, increase employee efficiency and preserve integrity of corporate knowledge.
- Completed the eighth year of the City's archive hard copy record back scanning program with all Building Applications up to 2012 now converted into a digital format. There are now 58,291 building records available within the City's electronic record keeping system.

### Fostering a positive and responsive 'can do' approach

The standards and objectives of the City include the provision of a prompt, professional and personal level of customer service. During this financial year:

- The City received 26,000 in-person customer enquiries; 854,000 incoming emails and 208,000 incoming calls across the City's Administration Centre and Orchard House.
- 62 staff attended customer services training in-house.



### Measure

- TARGET** Agreement that staff at the City of Armadale have a good understanding of residents needs is improved.
- RESULT** Changes in percentages between 2014 and 2016 were varied. From 56% in 2014 agreeing down to 34% in 2016. Respondents who were neutral changed from 31% in 2014 to 41% in 2016.
- SOURCE** Community Perceptions Survey.



## Outcome 4.3 // Financial Sustainability

### Preparing and implementing short to long term financial plans

The City's suite of integrated forward planning documents, particularly the Corporate Business Plan, 15 Year Long Term Financial Plan, Workforce Plan and Annual Budget, were all reviewed and updated. These all respond to the over-arching Strategic Community Plan and are informed by various key inputs and assumptions such as development and population statistics and trends.

The City's 2017/18 Financial Health Indicator (FHI), which is an independent measurement of the City's overall financial health based on the seven financial ratios reported in the annual financial report, is 71 and above benchmark. This continues to be a good outcome, and indicates sound financial health.

### Pursuing non-rates revenue opportunities

The City's advocacy strategy seeks to lobby other tiers of government for additional grant funding to support the City's growth.

The City's focus in recent years has been securing major capital grants to deliver improved facilities, without imposing additional financing costs on rates. During the year, over \$20.1 million was received in capital grants, with a further \$15.9 million earmarked for the following year.

A low inflationary environment and tight monetary policy has resulted in lower returns on investments. Notwithstanding, the City continues to prudently invest its funds and earned an average of 75 basis points above the cash rate in interest returns.

The City's rates coverage ratio (a measure of the rating capability/effort in relation to the total operating revenue) is currently 0.67, or 67%. It is anticipated that this ratio will reduce in future years as alternate revenue sources to rates are leveraged, including fees, charges and investments.

The City made applications for a number of State and Federal Blackspot projects during 2017/18, successfully receiving approval for five projects totalling \$604,152. These projects included improvements to the Tait Street and Windarra Way intersection, as well as improvements at the Ranford Road and Balannup Road intersection.

The City also completed the detailed design for a shared pathway on Railway Avenue between Lowanna Way and Corfield Street. The detailed design works were partially funded by the Department of Transport, and subsequent to the design being completed, the City applied for and was awarded the largest WA Bicycle Network Grant for the 2018/19 financial year. This funding supports the delivery of the strategic outcomes of the City's Bike Network Plan by providing a 50% contribution to construction of the Railway Avenue Shared Path (\$1.3 million).



### Seeking efficiencies that will reduce service delivery costs

In designing the new Armadale Aquatic Centre, the City made a strategic decision to invest in geothermal heating for the facility. The geothermal bores will generate enough heat to warm all of the pools in the Centre, as well as heating the air in the enclosed pool areas.

The efficiency of the geothermal system is estimated to generate utility savings in excess of \$500,000 per annum and an estimated greenhouse gas abatement of 2,100 tonnes per annum. Based on the capital expenditure and expected operating costs, it is estimated that payback for the system will be achieved after seven years.

The City has also committed to changing its Core Business Systems in 2018/19. The adoption of the new integrated system will lead to improvements in service delivery and reductions in transaction costs. Implementation will occur over a three year period and the benefits and realisations of the efficiencies from the project will be reported in subsequent financial years.



### Measure

**TARGET** Maintain our Local Government Financial Sustainability score above 70.

**RESULT** Based on the Treasury estimate tool the City's 2017/18 Financial Health Indicator score is 71.

	2016/17	2015/16	2014/15
Local Government FHI	0.85	0.71	0.86

**SOURCE** Department of Local Government & Communities.





## Outcome 4.4 // Effective Communication

### Marketing the City's brand and telling the positive stories of Armadale

Our residents have told us it is very important to them that the positive stories of Armadale are told, to improve perceptions of the place they call home and know is a great place to live, work and visit. The City undertook a range of actions to achieve this, including:

- Maintaining a strong, consistent corporate brand is an important part of being able to effectively tell positive stories. Key messages relating to the district, organisation and Council are based on addressing the brand essence across everything the City is seen to do. The in-house graphic designer continues to ensure a high quality of Corporate Style is maintained, enabling our communications to be visually appealing.
- Distributing 175 media releases relating to a wide range of events, programs, services and achievements to local, state and national media including newspapers, online publications and radio and television channels.
- The City's range of events and programs provides us the opportunity to demonstrate to the wider WA community the positive things happening in Armadale and what a desirable and attractive area it is. The City succeeded in securing significant coverage of events in local media across many local government areas and state-wide media.
- Submitted an article to the Local Government Infrastructure Yearbook 2017, Parks transformations for inclusivity, detailing how City of Armadale park upgrades are leading the way.
- Promoted Parks Week on social media reaching over 30,000 people, and with the #ParksWeek hashtag being used across Australia and New Zealand, this reach extended beyond the City's residents to a potential international audience. The campaign raised the profile of

the City's parks, promoted upcoming and completed park projects undertaken by the City, showcased the people who keep our parks safe and looking good, and engaged residents in a positive conversation about the City's parks and recreational facilities.

- Our social media campaign #DogsoftheDale celebrated the opening of the John Dunn Memorial Dog Park and promoted responsible dog ownership in the City and received extensive positive engagement in the community, reaching over 105,000 people.
- The City also promoted the opening of the City's first off-leash dog park through City publications, local press advertising, media releases and event engagement, working collaboratively with the City's Rangers and Parks team to deliver an official community open day event.
- The City is committed to including its residents in decision making via community consultation, providing community members the opportunity to provide feedback on the City programs and issues. During the year the City consulted with the community on one of the largest planning projects, the preparation of the Armadale Strategic Activity Centre Structure Plan.
- Continued to build the City's image library of positive imagery to promote the good stories of Armadale as an attractive and desirable place.
- Promoted the City's Parks Maintenance team's efforts in maintaining over 700 parks and reserves across the City, during Parks Week. The media release also cross-promoted activities in parks around the City during the week including the City sponsored event – Magical Parks, an augmented reality game for children in Memorial Park, Rusthon Park and Burtonia Gardens.
- The special Rates feature Your City working for you was redeveloped for distribution in the City's August City Views and in the Rates Information booklet, with the outcomes well received.



## Communicating effectively with our community and stakeholders

The City engages with our community and stakeholders, to communicate key and project specific messages, across an array of communication channels including newspapers, online, social media and radio. The City creates and distributes flyers, posters, banners, signs, booklets, information sheets, advertorials, documents and reports which inform about events, projects, opportunities, and useful information. Activities throughout the year included the following:

- Our social media channels provided a great avenue for discussions with our community. It is also a quick and effective way of reaching our community with interesting and important information, and for promoting events and programs.
- Maintaining the City's website with current, interesting, engaging and useful information ensures our residents have access to relevant and updated information.
- Building relationships and networking with media contacts advising opportunities for exposure of interesting newsworthy topics.
- Maintaining a positive relationship with local and state media outlets and responding to media enquiries on a daily basis.
- Internal communication is essential to achieve the delivery of the City's key messages and this year we prepared and distributed the City's first Staff e-newsletter. It was well received, and subsequent editions have received constant contributions from business units.
- Video content continues to attract good engagement online. To capitalise on this video content was developed, including drone footage, to promote events, and to highlight the City's facilities, parks, programs and the beauty of Armadale's surrounds.

- Promoting the closure of, and providing updates on the progress on, the City's new Aquatic Centre. Promoting the construction of Rossiter Pavilion, and providing information for the upgrades to the Seville Grove Library and Champion Centre, and Armadale District Hall.
- Communicating the changes to waste collection times across various channels, and development of a direct mail distribution of postcards to households across the City.
- Communicating changes to the bin collection day in some areas of the City via a direct mail distribution of postcards to affected households.
- Informing our community of Council elections held in October and educating how to vote, through media releases and social media.

## Promoting and celebrating the City's achievements

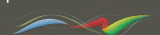
This year the City Views newsletter, an eight page publication distributed via Australia Post, continued with further refreshed design elements to enhance the look and ensure a high level of engagement with residents. The high quality publication reaches nearly 33,000 letter boxes every three months throughout the year, with timely updates on the City's major projects, community events and programs, youth events and programs, information for seniors, what's on in the libraries and museums, recreational and health services information, environmental and bushfire information. This year a small section on frequently asked customer service questions was included and a dedicated page for what's on at the library.

The monthly City News one page advertorial is placed in two local newspapers. City News provides up to date information on what's happening in the City in regards to projects, achievements and events. The same content is also distributed to thousands of email addresses each month in email newsletter format, giving a different demographic the opportunity to engage with the information.



## Measure

<b>TARGET</b>	Increasing satisfaction with how the community is informed about the local issues.
<b>RESULT</b>	Satisfaction increased to 61% in 2016 from 51% in 2014 of respondents who were satisfied with how the community is engaged about local issues.
<b>SOURCE</b>	Community Perceptions Survey.
<b>TARGET</b>	Increasing number of positive stories published in all media.
<b>RESULT</b>	246 positive stories were published in online, print and broadcast media.
<b>SOURCE</b>	Media monitoring and City records.



# Plan for the Future of the District

During 2017/18 the City prepared and adopted the Corporate Business Plan 2018 - 2022.

The Corporate Business Plan complements the Strategic Community Plan 2016 - 2031 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 the 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 2018/19

## Armadale District Hall

Construction commenced on the historic Armadale District Hall in April 2018. Substantial progress has been made on the restoration elements of this project, including replacing the roof and ceiling, relaying and levelling the floor and bringing the gallery back to the original 1936 design. Work is also well underway on the new multi-purpose hall, kitchen and entry foyer as well as the car park and surrounding landscaping. The City is fortunate to have received \$1 million from Lotterywest for this project, in addition to the City's allocation of \$3.185 million. The Armadale District Hall is expected to reopen early in 2019.



## Armadale Fitness and Aquatic Centre Redevelopment

Progress on the new \$26 million Armadale Fitness and Aquatic Centre is under way and on track for completion in the first quarter of 2019. The first stage of the project – the geothermal bore, which will provide heating for all of the pools has been successfully completed. Construction of the new pools and buildings is progressing well, despite the wet winter. The new facility includes a new indoor 25 metre pool, separate leisure pool and program pool, spa and sauna, new change facilities, group fitness rooms and gymnasium, child minding and café/kiosk.

## Piara Waters (South East) Community and Sports Facility

One of nine sporting grounds required in the Piara Waters, Harrisdale and Forrestdale areas, the Piara Waters (South East) Novelli Reserve Community and Sports Facility is another shared-use facility between the City of Armadale and the Department of Education. Work on stage 1 – the playing field, will commence in September 2018 with completion expected in January 2019.



# Projects Commencing in 2018/19

## Seville Grove Library/Champion Centre upgrade

Thanks to a \$4 million grant through Lotterywest this project has been brought forward by around five years and is now well underway with the two facilities expected to reopen in April/May 2019. The project entails major upgrades to both facilities and their surrounds, and complements the Fitness and Aquatic Centre redevelopment to complete the major projects identified as part of the Bob Blackburn Reserve Community Hub Master Plan.

## Cross Park Sports Pavilion

It is anticipated that external grants will be received to complement municipal funds and funds committed by the Roleystone Cricket and Netball Clubs for a new facility that will cater for junior and senior male and female teams as well as providing an additional community space for other activities.



# Statutory Reports

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

## Record Keeping

Efforts have continued towards full electronic record keeping with 338,135 corporate records registered.

A comprehensive electronic records management training program was delivered to 310 staff, which comprised 74 one-on-one sessions, 28 refresher training sessions and 208 Content Manager 9 upgrade sessions. In addition five corporate induction sessions were held with 34 new staff in attendance. Record Keeping Awareness training is now available on the City's intranet with all new staff required to complete upon commencement at the City.

Training was also delivered to 39 staff on the City's online file distribution software that enables large electronic documents to be shared outside of the organisation. This software has resulted in information being shared more easily and quickly than was previously possible.

The City's archive hard copy record back scanning program is now in its eighth year with all Building Applications up to 2012 now converted into a digital format. This means 58,291 building records are now available in the City's electronic record keeping system.

## Freedom of Information

In accordance with the *Freedom of Information Act 1992* (FOI) a total of thirteen Freedom of Information applications were processed during the year. The City continues to deliver internal FOI Awareness Training with the introduction of an online course for all staff.

## Public Disclosures

The *Public Interest Disclosure Act 2013* (Commonwealth) aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action.

In acknowledgement of its responsibilities, the City has appointed two Public Disclosure Officers and published procedures to assist persons to make a disclosure. During 2017/18 the City did not receive any disclosures. Further details about public interest disclosures are available from the City's website and Administration Centre.

## 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 2017/18 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

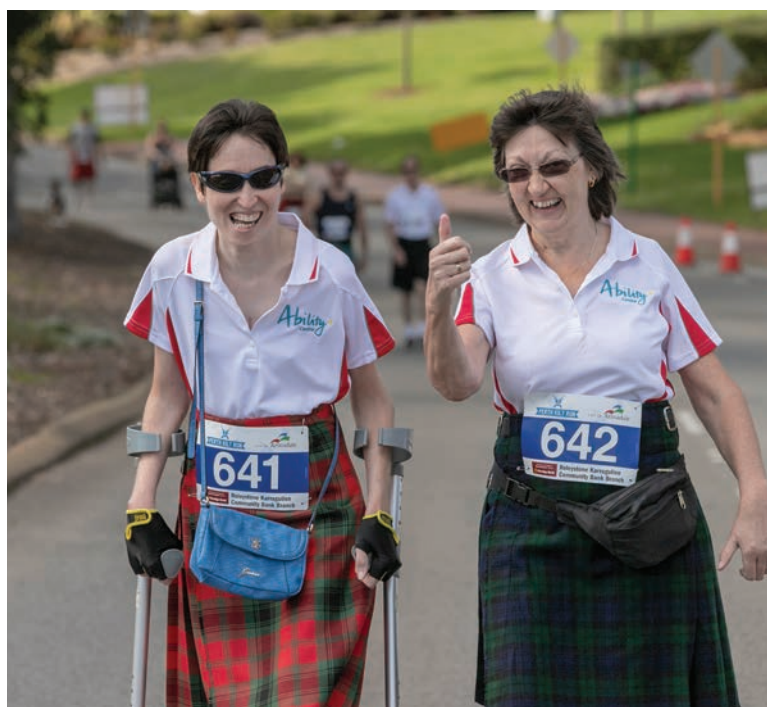
From \$	To \$	Number of Staff
\$100,000	\$109,999	10
\$110,000	\$119,999	11
\$120,000	\$129,999	5
\$130,000	\$139,999	15
\$140,000	\$149,999	1
\$150,000	\$159,999	4
\$160,000	\$169,999	0
\$170,000	\$179,999	1
\$180,000	\$189,999	1
\$190,000	\$199,999	0
\$200,000	\$209,999	2
\$210,000	\$219,999	1
\$240,000	\$249,999	1



## Disability Access and Inclusion Plan 2016 - 2021

### Major achievements for 2017/18 include:

- The City received a Community Participation Grant to partner with Inclusion Solutions to coordinate the Club Abilities Project. A total of 28 people from 20 clubs/groups were upskilled to be inclusive of people of all abilities from the community, and as a result a further 224 people will benefit from indirect mentoring. The workshops delivered mentoring to 76 participants, who showcased their groups in a community event with a come and try demonstration to over 300 people.
- Supporting accessibility within our community:
  - Ensuring accessibility viewing platform with tables and chairs that is located on a paved area at Carols by Candlelight event.
  - Auslan interpreters available at the Carols by Candlelight event.
  - Accessibility throughout the Perth Kilt Run route.
  - Delivery of Tactile Tours for arts programs and History House as well as a training session for the Armadale Society of Artists.
  - Ensuring accessible toilets and pathways at events.
- Adoption of the Skeletal Path Program resulted in approximately \$450,000 of new and upgraded footpaths, to remove pedestrians from the road, in particular mobility device users.
- Accessible and inclusive upgrades to community facilities.
- A number of parks, playgrounds and reserves have received upgrades to ensure accessibility and inclusiveness to everyone. These include Champion Lakes Public Beach Playground, Armadale Settlers Common Path Construction, and Lions Park.



- Information on access and inclusion included within the City's Customer Service Charter includes:
  - Charter available in alternate formats – hard copy and electronic.
  - Charter available in multiple locations – City's Administration Centre, Orchard House and all outstations.
  - Charter available in large print in both hardcopy and electronic.
  - Audio function for website.
- Information on access and inclusion included within the Customer Feedback Protocol and multiple avenues to provide feedback – written, verbal, in person, electronic lodgement, translation services, and Hearing Loop services.
- The City annually and periodically monitors the progress of the City's DAIP. This is accomplished by completing the annual DAIP Progress Report for the Department of Communities and meeting with City Managers to discuss implementation of projects in the City's DAIP and setting goals/projects for the next financial year.
- Opening of Shipwreck Park (an all abilities playground) an initiative between the City and the developer Stocklands.



# Auditors Report



## INDEPENDENT AUDITOR'S REPORT

### TO: RATEPAYERS OF CITY OF ARMADALE

#### Report on the Financial Report

##### *Opinion*

We have audited the financial report of **City of Armadale** (the Council), which comprises the Statement of Financial Position as at 30 June 2018, 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 then ended, and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

In our opinion, the annual financial report of the **City of Armadale** is:

- (i) is based on proper accounts and records ; and
- (ii) fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not consistent with the Act, Australian Accounting Standards.

##### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the auditor independence and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

##### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

## INDEPENDENT AUDITOR'S REPORT (Cont'd)

### Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Council.

The Council is responsible for overseeing the Council's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## INDEPENDENT AUDITOR'S REPORT (Cont'd)

### Report on Other Legal and Regulatory Requirements

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


- (a) In our opinion, the following matter indicates significant adverse trends in the financial position or the financial management practices of the Council:


The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last three years. The financial ratios are reported at note 33 to the financial report.

- (b) In our opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions:
- (c) All required information and explanations were obtained by us.
- (d) All audit procedures were satisfactorily completed.

### 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 2018 included on the Council's website. Management is responsible for the integrity of the Council'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 5<sup>TH</sup> DAY OF NOVEMBER 2018.**



# Financial Report





**City of Armadale  
Financial Report  
For the year ended 30 June 2018**

**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 for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the City of Armadale at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 1st day of November 2018



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Acting Chief Executive Officer  
Paul Sanders



## Statement of Comprehensive Income - By Nature or Type

For the year ended 30 June 2018

	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	22	65,129,100	64,394,380	61,927,025
Operating Grants, Subsidies and Contributions	2(i)	6,923,764	3,868,040	7,510,793
Fees and Charges	2(i)	20,730,125	21,291,020	21,019,389
Interest Earnings	2(i)	3,665,774	4,006,300	3,683,723
Other Revenue	2(i)	325,115	1,788,450	689,335
		<b>96,773,878</b>	<b>95,348,190</b>	<b>94,830,265</b>
<b>Expenses</b>				
Employee Costs		(39,037,395)	(33,292,350)	(38,205,434)
Materials and Contracts		(29,454,709)	(52,188,270)	(28,621,994)
Utility Charges		(3,326,949)	(3,261,330)	(3,219,533)
Depreciation on Non-Current Assets	12(b)	(20,704,469)	(20,585,370)	(19,457,723)
Amortisation	12(b)	(199,114)	-	(298,041)
Interest Expenses	2(ii)	(1,190,985)	(1,149,500)	(1,325,686)
Insurance Expenses		(1,319,764)	(1,300,510)	(1,343,514)
Other Expenditure		(1,728,603)	(2,479,770)	(2,129,347)
		<b>(96,961,988)</b>	<b>(114,257,100)</b>	<b>(94,601,272)</b>
		<b>(188,110)</b>	<b>(18,908,910)</b>	<b>228,993</b>
Non-Operating Grants, Subsidies and Contributions	2(i)	13,885,210	29,520,460	4,093,733
Developer Contribution Plans - Cash	2(i)	6,242,945	5,455,460	4,619,352
Developer Contribution Plans - Gifted Assets	10(a)	42,818,072	-	38,555,486
(Loss) on Revaluation of Infrastructure - Parks and Reserves		(20,662,000)	-	-
Profit on Disposal of Assets	12(a)	285,901	1,135,070	1,192,478
(Loss) on Disposal of Assets	12(a)	(11,668)	(59,140)	(404,958)
Increase / (Decrease) in Investments	7	52,091	-	(87,855)
<b>Net Result</b>		<b>42,422,441</b>	<b>17,142,940</b>	<b>48,197,229</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on Revaluation of Non-Current Assets	13	(21,019,584)	-	(8,842,901)
<b>Total Other Comprehensive Income</b>		<b>(21,019,584)</b>	<b>-</b>	<b>(8,842,901)</b>
<b>Total Comprehensive Income</b>		<b>21,402,857</b>	<b>17,142,940</b>	<b>39,354,328</b>

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



# Statement of Comprehensive Income - By Program

For the year ended 30 June 2018

	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
General Purpose Funding		71,195,593	70,110,720	68,861,772
Governance		1,950,288	3,283,150	2,023,533
Law, Order and Public Safety		725,645	924,500	957,977
Health		179,245	136,000	182,851
Education and Welfare		355,782	287,000	459,208
Community Amenities		15,969,736	15,257,710	15,402,069
Recreation and Culture		2,898,956	2,689,460	3,121,674
Transport		2,342,251	1,428,450	2,537,432
Economic Services		1,056,544	1,136,200	1,165,604
Other Property and Services		99,838	95,000	118,145
		<b>96,773,878</b>	<b>95,348,190</b>	<b>94,830,265</b>
<b>Expenses</b>				
General Purpose Funding		(1,448,829)	(1,033,430)	(1,737,007)
Governance		(2,228,682)	(16,236,108)	(2,694,013)
Law, Order and Public Safety		(3,036,184)	(2,467,240)	(3,023,607)
Health		(1,816,180)	(1,480,720)	(1,774,453)
Education and Welfare		(4,689,322)	(3,985,880)	(4,388,349)
Community Amenities		(22,496,952)	(35,787,570)	(19,874,146)
Recreation and Culture		(23,927,600)	(19,321,690)	(24,565,815)
Transport		(32,546,482)	(30,138,312)	(31,920,025)
Economic Services		(3,405,899)	(2,760,120)	(3,189,571)
Other Property and Services		(174,873)	103,470	(108,599)
		<b>(95,771,003)</b>	<b>(113,107,600)</b>	<b>(93,275,585)</b>
<b>Finance Costs</b>				
Governance	2(ii)	(506,052)	(474,200)	(573,916)
Community Amenities		(8,326)	(8,600)	(10,914)
Recreation and Culture		(524,311)	(460,300)	(594,638)
Transport		(152,296)	(206,400)	(146,218)
		<b>(1,190,985)</b>	<b>(1,149,500)</b>	<b>(1,325,686)</b>
Non Operating Grants, Subsidies and Contributions	2(i)	13,885,210	34,975,920	4,093,734
Developer Contribution Plans - Cash	2(i)	6,242,945	-	4,619,352
Developer Contribution Plans - Gifted Assets	10(a)	42,818,072	-	38,555,486
(Loss) on Revaluation of Infrastructure - Parks and Reserves		(20,662,000)	-	-
Profit on Disposal of Assets	12(a)	285,901	1,135,070	1,192,478
(Loss) on Disposal of Assets	12(a)	(11,668)	(59,140)	(404,958)
Increase / (Decrease) in Investments	7	52,091	-	(87,855)
		<b>42,422,441</b>	<b>17,142,940</b>	<b>48,197,229</b>
<b>Net Result</b>				
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on Revaluation of Non-Current Assets	13	(21,019,584)	-	(8,842,901)
<b>Total Other Comprehensive Income</b>		<b>(21,019,584)</b>	<b>-</b>	<b>(8,842,901)</b>
<b>Total Comprehensive Income</b>				
		<b>21,402,857</b>	<b>17,142,940</b>	<b>39,354,328</b>

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



## Statement of Financial Position

As at 30 June 2018

	Note	2018 Actual \$	2017 Actual \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	110,132,081	103,054,305
Trade and Other Receivables	5	10,209,311	5,924,494
Assets Held for Sale	6(i)	619,091	619,091
Inventories	6(ii)	130,890	157,191
<b>Total Current Assets</b>		<b>121,091,373</b>	<b>109,755,081</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	5	690,715	599,591
Property, Plant and Equipment	9	219,584,765	204,723,476
Infrastructure	10	913,654,581	909,183,863
Landfill Cell	8(b)	998,755	5,330,714
Investments	7	221,444	169,353
Rehabilitation Asset	8(a)	2,799,752	2,389,362
<b>Total Non-Current Assets</b>		<b>1,137,950,012</b>	<b>1,122,396,359</b>
<b>Total Assets</b>	18	<b>1,259,041,385</b>	<b>1,232,151,440</b>
<b>Current Liabilities</b>			
Trade and Other Payables	14	20,633,528	15,069,729
Borrowings	16	2,217,288	2,004,608
Provisions	15	8,186,338	7,958,536
<b>Total Current Liabilities</b>		<b>31,037,154</b>	<b>25,032,873</b>
<b>Non-Current Liabilities</b>			
Borrowings	16	26,922,860	28,051,737
Provisions	15	4,201,452	3,589,768
<b>Total Non-Current Liabilities</b>		<b>31,124,312</b>	<b>31,641,505</b>
<b>Total Liabilities</b>		<b>62,161,466</b>	<b>56,674,377</b>
<b>Net Assets</b>		<b>1,196,879,919</b>	<b>1,175,477,063</b>
<b>Equity</b>			
Retained Surplus		414,773,986	378,082,671
Reserves - Cash Backed	4	86,088,729	80,234,083
Revaluation Surplus	13	696,017,204	717,160,309
<b>Total Equity</b>		<b>1,196,879,919</b>	<b>1,175,477,063</b>

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



## Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Retained Surplus \$	Reserves Cash or Investment Backed \$	Revaluation Surplus \$	Total Equity \$
<b>Adjusted Balance as at 1 July 2016</b>		<b>321,787,411</b>	<b>80,858,321</b>	<b>735,812,249</b>	<b>1,138,457,981</b>
Comprehensive Income Net Result		48,197,229	-	-	48,197,229
Transfer of Revaluation Surplus on Asset Disposals		7,473,789	-	(7,473,789)	-
Changes on Revaluation of Assets - Adjustments		-	-	(2,335,250)	(2,335,250)
Changes on Revaluation of Assets During the Year	13	-	-	(8,842,901)	(8,842,901)
Total Comprehensive Income		55,671,018	-	(18,651,940)	37,019,078
Transfer from / (to) Reserves	4	624,238	(624,238)	-	-
<b>Balance as at 30 June 2017</b>		<b>378,082,671</b>	<b>80,234,083</b>	<b>717,160,309</b>	<b>1,175,477,063</b>
Comprehensive Income Net Result		42,422,441	-	-	42,422,441
Transfer of Revaluation Surplus on Asset Disposals / Impairment	13	123,521	-	(123,521)	-
Changes on Revaluation of Assets - Impairment		-	-	-	-
Changes on Revaluation of Assets During the Year	13	-	-	(21,019,584)	(21,019,584)
Total Comprehensive Income		42,545,962	-	(21,143,105)	21,402,857
Transfer from / (to) Reserves	4	(5,854,646)	5,854,646	-	-
<b>Balance as at 30 June 2018</b>		<b>414,773,986</b>	<b>86,088,729</b>	<b>696,017,204</b>	<b>1,196,879,919</b>

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



## Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		64,169,328	64,394,380	58,097,535
Operating Grants, Subsidies and Contributions		3,467,192	3,868,040	7,420,843
Fees and Charges		20,730,125	21,291,020	21,019,390
Interest Earnings		3,665,774	4,006,300	3,683,723
Goods and Services Tax		5,982,017	2,600,000	6,105,473
Other		325,115	1,788,450	904,241
<b>Total Receipts</b>		<b>98,339,551</b>	<b>97,948,190</b>	<b>97,231,205</b>
<b>Payments</b>				
Employee Costs		(38,789,506)	(33,292,350)	(37,199,235)
Materials and Contracts		(23,938,584)	(42,476,880)	(21,842,409)
Utilities		(3,326,949)	(3,261,330)	(3,219,418)
Insurance		(1,190,985)	(1,149,500)	(1,325,686)
Interest		(1,319,764)	(1,300,510)	(1,343,514)
Goods and Services Tax		(5,941,615)	(4,000,000)	(6,040,589)
Other		(1,672,538)	(2,479,770)	(1,965,016)
<b>Total Payments</b>		<b>(76,179,941)</b>	<b>(87,960,340)</b>	<b>(72,935,867)</b>
<b>Net Cash Provided by / (used in) Operating Activities</b>	17(b)	<b>22,159,610</b>	<b>9,987,850</b>	<b>24,295,338</b>
<b>Cash Flows from Investing Activities</b>				
Payments for Property, Plant and Equipment	9	(21,244,942)	(34,527,850)	(6,314,728)
Payments for Infrastructure	10	(14,015,599)	(31,712,420)	(22,791,011)
Grants and Subsidies - Non-Operating	2(i)	13,885,210	29,520,460	4,093,733
Developer Contribution Plans - Cash	2(i)	6,242,945	-	4,619,352
Proceeds from Sale of Assets	12(a)	966,745	2,595,530	2,314,119
<b>Net Cash Provided by / (used in) Investing Activities</b>		<b>(14,165,641)</b>	<b>(34,124,280)</b>	<b>(18,078,535)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	16	(1,939,593)	(2,016,600)	(1,887,861)
Proceeds from New Debentures	16	1,023,400	13,869,200	753,000
<b>Net Cash Provided by / (used in) Financing Activities</b>		<b>(916,193)</b>	<b>11,852,600</b>	<b>(1,134,861)</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>7,077,776</b>	<b>(12,283,830)</b>	<b>5,081,841</b>
Cash and Cash Equivalents at Beginning of Year	3	103,054,305	107,537,445	97,972,464
<b>Cash and Cash Equivalents at End of Year</b>	17(a)	<b>110,132,081</b>	<b>95,253,615</b>	<b>103,054,305</b>

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



# Rate Setting Statement

For the year ended 30 June 2018

	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Net Current Assets at Start of Financial Year - Surplus / (Deficit)</b>	27	13,832,180	12,153,130	11,435,814
<b>Revenue from Operating Activities (excluding Rates)</b>				
General Purpose Funding		7,073,923	5,716,340	7,974,654
Governance		2,002,379	3,283,150	2,088,967
Law, Order and Public Safety		728,808	924,500	983,732
Health		179,245	136,000	184,846
Education and Welfare		362,336	287,000	469,487
Community Amenities		15,996,723	16,392,780	16,356,891
Recreation and Culture		2,469,318	3,177,140	2,905,755
Transport		2,523,626	1,428,450	2,376,201
Economic Services		1,065,335	1,136,200	1,171,743
Other Property and Services		99,838	95,000	118,145
		<b>32,501,531</b>	<b>32,576,560</b>	<b>34,630,421</b>
<b>Expenditure from Operating Activities</b>				
General Purpose Funding		(1,448,829)	(998,730)	(1,737,007)
Governance		(2,734,734)	(16,236,108)	(3,267,930)
Law, Order and Public Safety		(3,036,184)	(2,467,240)	(3,024,662)
Health		(1,816,180)	(1,480,720)	(1,774,453)
Education and Welfare		(4,689,922)	(3,985,880)	(4,388,349)
Community Amenities		(22,543,933)	(36,896,430)	(19,922,354)
Recreation and Culture		(44,896,729)	(19,809,370)	(25,457,336)
Transport		(32,660,578)	(32,138,312)	(32,135,970)
Economic Services		(3,405,899)	(2,760,120)	(3,189,571)
Other Property and Services		(174,873)	103,470	(196,454)
		<b>(117,407,861)</b>	<b>(116,669,440)</b>	<b>(95,094,086)</b>
<b>Operating Activities Excluded from Budget</b>				
(Profit) on Disposal of Assets	12(a)	(285,901)	(1,075,930)	(1,192,478)
Loss on Disposal of Assets	12(a)	11,668	-	404,958
(Loss) on Revaluation of Infrastructure - Parks and Reserves		20,662,000	-	-
Movement in Rates Received in Advance		-	-	785,173
Movement in Grants & Contributions Received in Advance		-	-	89,950
Depreciation on Assets	12(b)	20,704,469	20,585,370	19,457,723
Amortisation	12(b)	199,114	-	298,041
Movement in Deferred Pensioner Rates/ESL (Non-Current)	5	(91,123)	-	(20,962)
Movement in Employee Benefit Provisions (Non-Current)	15	(53,890)	-	107,959
Movement in Unwinding Discount of Landfill Site Provision	15	56,070	-	90,156
Movement in Interest in Local Government House Trust	7(a)	-	-	11,868
Movement in Interest in Rivers Regional Council	7(b)	(52,091)	-	75,987
Fixed Assets Adjustment		-	-	(51,410)
		<b>41,150,316</b>	<b>19,509,440</b>	<b>20,056,965</b>
<b>Amount Attributable to Operating Activities</b>		<b>(29,923,834)</b>	<b>(52,430,310)</b>	<b>(28,970,886)</b>
<b>Investing Activities</b>				
Non-Operating Grants, Subsidies and Contributions	2(i)	13,885,210	34,975,920	4,093,733
Developer Contribution Plans - Cash	2(i)	6,242,945	-	4,619,352
Developer Contribution Plans - Gifted Assets	10(a)	42,818,072	-	38,555,486
Proceeds from Disposal of Assets	12(a)	966,745	2,595,530	2,314,119
Purchase of Property, Plant and Equipment	9	(21,244,942)	(34,527,850)	(6,314,728)
Purchase of Infrastructure	10	(14,015,599)	(31,712,420)	(22,791,012)
Infrastructure Assets Contributed by Developers (Gifted Assets)	10(a)	(42,818,072)	-	(38,555,486)
<b>Amount Attributable to Investing Activities</b>		<b>(14,165,641)</b>	<b>(28,668,820)</b>	<b>(18,078,536)</b>
<b>Financing Activities</b>				
Repayment of Debentures	16	(1,939,593)	(2,016,600)	(1,887,962)
Proceeds from New Debentures	16	1,023,400	13,869,200	753,000
Funds to be Set Aside	4	(11,036,046)	(7,980,750)	(9,365,444)
Funds to be Used	4	5,181,400	13,320,580	9,989,684
<b>Amount Attributable to Financing Activities</b>		<b>(6,770,839)</b>	<b>17,192,430</b>	<b>(510,722)</b>
<b>Surplus / (Deficiency) before General Rates</b>		<b>(50,860,314)</b>	<b>(63,906,700)</b>	<b>(47,560,144)</b>
<b>Total Amount Raised from General Rates</b>	22	<b>64,610,340</b>	<b>63,906,700</b>	<b>61,392,323</b>
<b>Net Current Assets at 30 June C/Fwd - Surplus / (Deficit)</b>	27	<b>13,750,024</b>	<b>-</b>	<b>13,832,180</b>

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



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 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 and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report 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 effect 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.

### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY 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.





# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

2. REVENUE and EXPENSES	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>i) Revenue</b>				
<b>Other Revenue</b>				
Reimbursements and Recoveries		109,932	-	175,106
Other		215,183	1,788,450	514,229
		<b>325,115</b>	<b>1,788,450</b>	<b>689,335</b>
<b>Fees and Charges*</b>				
General Purpose Funding		441,903	426,700	456,350
Governance		1,618,381	1,491,300	1,602,878
Law, Order and Public Safety		427,692	611,000	618,864
Health		178,463	134,000	181,795
Education and Welfare		8,121	10,600	37,459
Community Amenities		15,465,680	15,742,350	14,751,942
Recreation and Culture		932,553	971,620	1,614,673
Transport		551,460	555,850	526,935
Economic Services		1,037,771	1,117,600	1,135,916
Other Property and Services		68,100	230,000	92,578
		<b>20,730,125</b>	<b>21,291,020</b>	<b>21,019,389</b>
* - There were no changes during the year to the amount of the fees or charges detailed in the original budget.				
<b>Grant Revenue</b>				
Grants, subsidies and contributions are included as operating and non-operating revenues in the Statement of Comprehensive Income:				
<b>By Nature or Type</b>				
Operating Grants, Subsidies and Contributions		6,923,764	3,868,040	7,510,793
Non-Operating Grants, Subsidies and Contributions		13,885,210	29,520,460	4,093,733
Developer Contribution Plans - Cash		6,242,945	5,455,460	4,619,352
		<b>27,051,919</b>	<b>38,843,960</b>	<b>16,223,878</b>
<b>By Program</b>				
General Purpose Funding		2,447,486	1,280,740	3,299,879
Governance		6,797	4,000	6,838
Law, Order and Public Safety		297,685	313,500	339,113
Health		781	2,000	1,055
Education and Welfare		347,660	276,400	421,749
Community Amenities		6,734,854	482,100	5,087,036
Recreation and Culture		10,864,371	19,635,670	2,421,385
Transport		6,301,778	16,830,950	4,591,567
Economic Services		18,774	18,600	29,688
Other Property and Services		31,733	-	25,568
		<b>27,051,919</b>	<b>38,843,960</b>	<b>16,223,878</b>
<b>Interest Earnings</b>				
Investments - Reserve Funds		1,997,049	1,572,300	2,072,089
Investments - Municipal Fund		1,168,751	2,037,000	1,181,421
Other Interest Revenue	22(e)	499,974	397,000	430,213
		<b>3,665,774</b>	<b>4,006,300</b>	<b>3,683,723</b>
<b>Volunteer services</b>				
Volunteer Services**		107,140	-	95,212
Volunteer Resource Centre Grants***		30,986	-	31,411
		<b>138,126</b>	<b>-</b>	<b>126,623</b>

\*\* - The City would have purchased these services if they had not been donated by volunteers. Volunteer services income has been valued and recognised at commercial rates. In the statement of comprehensive income this income has been classified under operating grants, subsidies and contributions by nature and type and under community amenities by program.

\*\*\* - The City refers individuals who want to volunteer with organisations seeking volunteers and organisations seeking volunteers with people seeking opportunities. The City receives this operating grant to manage the process and has recognised as income in the year of receipt. In the statement of comprehensive income this income has been classified under operating grants, subsidies and contributions by nature and type and under education and welfare by program.

## SIGNIFICANT ACCOUNTING POLICIES

### Grants, Donations and Other Contributions

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

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

### Volunteer Services

The City receives and recognises an inflow of resources in the form of volunteer services as an asset (or an expense, when the definition of an asset is not met) if: (a) the fair value of those services can be measured reliably; and (b) the services would have been purchased if they had not been donated.

### Grants, Donations and Other Contributions (Continued)

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 14. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

### Contributed/Gifted Assets

When an asset is acquired, contributed or gifted at no cost, or for a nominal cost, income is determined as the difference between the consideration of an asset and the asset's fair value at the date it is acquired.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

		Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>2. REVENUE and EXPENSES (Continued)</b>					
<b>ii) Expenses</b>					
<b>Auditor's Remuneration</b>	- Annual & Interim		28,300	30,000	31,800
	- Acquittals		1,500	10,000	8,100
	Total Audit Remuneration		<b>29,800</b>	<b>40,000</b>	<b>39,900</b>
<b>Bad and Doubtful Debts</b>					
	Write Off - Rates		51,119	75,000	55,701
	Write Off - General		319,710	5,000	94,057
	Write Off - Infringements		24,486	58,300	69,611
			<b>395,315</b>	<b>138,300</b>	<b>219,369</b>
<b>Interest Expense</b>					
	Debentures	16	1,190,985	1,149,500	1,325,686
			<b>1,190,985</b>	<b>1,149,500</b>	<b>1,325,686</b>
<b>Volunteer Services</b>					
	Volunteer Services *		107,140	-	95,212

\* - The City would have purchased these services if they had not been donated by volunteers. Volunteer service expenses have been valued and recognised at commercial rates. In the statement of comprehensive income this expense has been classified under employee cost by nature and type and under community amenities by program.

		Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>3. CASH and CASH EQUIVALENTS</b>					
Cash at Bank			14,122,721	10,243,865	18,044,295
Cash on Hand			9,360	9,750	10,010
Term Deposits			96,000,000	85,000,000	85,000,000
			<b>110,132,081</b>	<b>95,253,615</b>	<b>103,054,305</b>
Unrestricted			24,043,352	16,000,082	22,820,222
Restricted		4	86,088,729	79,253,533	80,234,083
			<b>110,132,081</b>	<b>95,253,615</b>	<b>103,054,305</b>

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

		Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Reserves</b>					
	Asset Renewal - Buildings	4	3,587,352	649,946	389,586
	Asset Renewal - Parks		552,916	777,946	346,846
	Building Plant and Equipment		154,722	153,932	150,992
	Champion Lakes SAR Asset Renewal		158,730	161,650	154,900
	Computer Systems Technologies		268,132	23,432	261,672
	Crossover Contributions		59,700	59,320	58,260
	Emergency Waste		221,142	219,982	215,812
	Employee Provisions		9,794,677	11,258,277	9,217,017
	Freehold Sales Capital Works		340,363	825,843	332,163
	Future Community Facilities		874,620	870,430	755,950
	Future Project Funding		17,622,074	13,665,701	15,771,514
	Future Recreation Facilities		525,490	527,360	388,400
	History of the District		36,280	36,120	35,410
	Land Acquisition		459,526	457,056	448,446
	Mobile Bin Program		1,954,808	1,947,278	1,907,688
	North Forrestdale DCP 3		30,025,298	24,253,016	32,968,458
	North Forrestdale SAR Asset Renewal		3,503,510	10,456,430	3,286,630
	Plant and Machinery		2,844,029	2,006,918	2,061,656
	Portable Long Service Leave		336,802	339,082	314,042
	Revolving Energy		112,324	113,940	93,457
	Strategic Asset Investments		561,680	1,677,410	548,140
	Waste Management		11,117,002	7,639,082	9,573,052
	Workers Compensation		345,288	504,458	336,968
	Works Contributions		632,264	628,924	617,024
	<b>Total Reserves and Restricted Cash and Cash Equivalents</b>		<b>86,088,729</b>	<b>79,253,533</b>	<b>80,234,083</b>

## SIGNIFICANT ACCOUNTING POLICIES

### 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

### Cash and cash equivalents (Continued)

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



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 4. RESERVES - CASH BACKED

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Asset Renewal - Buildings</b>			
<i>To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.</i>			
Opening Balance	389,586	389,546	381,946
Funds to be Set Aside - Municipal Funds	3,338,146	652,900	-
Funds to be Set Aside - Interest Earnings	9,620	7,500	7,640
Funds to be Used	(150,000)	(400,000)	-
	<b>3,587,352</b>	<b>649,946</b>	<b>389,586</b>
<b>Asset Renewal - Parks</b>			
<i>To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.</i>			
Opening Balance	346,846	573,346	340,046
Funds to be Set Aside - Municipal Funds	197,500	197,500	-
Funds to be Set Aside - Interest Earnings	8,570	7,100	6,800
Funds to be Used	-	-	-
	<b>552,916</b>	<b>777,946</b>	<b>346,846</b>
<b>Building Plant and Equipment</b>			
<i>To be used to assist in the maintenance and replacement of Plant and Equipment associated with City's buildings.</i>			
Opening Balance	150,992	151,032	148,032
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	3,730	2,900	2,960
Funds to be Used	-	-	-
	<b>154,722</b>	<b>153,932</b>	<b>150,992</b>
<b>Champion Lakes SAR Asset Renewal</b>			
<i>To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.</i>			
Opening Balance	154,900	157,650	142,450
Funds to be Set Aside - Municipal Funds	-	-	9,600
Funds to be Set Aside - Interest Earnings	3,830	4,000	2,850
Funds to be Used	-	-	-
	<b>158,730</b>	<b>161,650</b>	<b>154,900</b>
<b>Computer Systems Technologies</b>			
<i>To be used to assist in funding the long-term renewal of City's core computer systems.</i>			
Opening Balance	261,672	258,732	351,732
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	6,460	4,700	7,030
Funds to be Used	-	(240,000)	(97,090)
	<b>268,132</b>	<b>23,432</b>	<b>261,672</b>
<b>Crossover Contributions</b>			
<i>To be used to assist in funding the construction of Crossovers as a condition of approved building licences.</i>			
Opening Balance	58,260	58,220	57,120
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	1,440	1,100	1,140
Funds to be Used	-	-	-
	<b>59,700</b>	<b>59,320</b>	<b>58,260</b>
<b>Emergency Waste</b>			
<i>To be used to assist with the costs associated with storm damage clean-up, collections and disposal.</i>			
Opening Balance	215,812	215,882	211,582
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	5,330	4,100	4,230
Funds to be Used	-	-	-
	<b>221,142</b>	<b>219,982</b>	<b>215,812</b>
<b>Employee Provisions</b>			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	9,217,017	10,742,877	8,742,177
Funds to be Set Aside - Municipal Funds	350,000	350,000	300,000
Funds to be Set Aside - Interest Earnings	227,660	165,400	174,840
Funds to be Used	-	-	-
	<b>9,794,677</b>	<b>11,258,277</b>	<b>9,217,017</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 4. RESERVES - CASH BACKED (Continued)

### Freehold Sales Capital Works

*To be used to assist in funding capital works and to be funded from the proceeds (30% of net sale proceeds) of selling Freehold land parcels.*

Opening Balance	332,163	416,373	139,466
Funds to be Set Aside - Municipal Funds	-	402,270	189,907
Funds to be Set Aside - Interest Earnings	8,200	7,200	2,790
Funds to be Used	-	-	-
	<b>340,363</b>	<b>825,843</b>	<b>332,163</b>

### Future Community Facilities

*To be used to assist in the research, planning and construction of future Community Facilities.*

Opening Balance	755,950	755,930	741,130
Funds to be Set Aside - Municipal Funds	100,000	100,000	-
Funds to be Set Aside - Interest Earnings	18,670	14,500	14,820
Funds to be Used	-	-	-
	<b>874,620</b>	<b>870,430</b>	<b>755,950</b>

### Future Project Funding

*To be used to fund future capital works projects considered in excess of the City's normal funding capacity.*

Opening Balance	15,771,514	13,413,921	13,003,721
Funds to be Set Aside - Municipal Funds	1,461,000	51,000	2,507,723
Funds to be Set Aside - Interest Earnings	389,560	252,000	260,070
Funds to be Used	-	(51,220)	-
	<b>17,622,074</b>	<b>13,665,701</b>	<b>15,771,514</b>

### Future Recreation Facilities

*To be used to assist in the research, planning and construction of future recreation facilities.*

Opening Balance	388,400	393,860	273,690
Funds to be Set Aside - Municipal Funds	127,500	127,500	120,000
Funds to be Set Aside - Interest Earnings	9,590	6,000	5,470
Funds to be Used	-	-	(10,760)
	<b>525,490</b>	<b>527,360</b>	<b>388,400</b>

### History of the District

*To be used to assist in the future rewrite and publication of the History of the District.*

Opening Balance	35,410	35,420	34,720
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	870	700	690
Funds to be Used	-	-	-
	<b>36,280</b>	<b>36,120</b>	<b>35,410</b>

### Land Acquisition

*To be used to assist in future acquisitions of land for investment or works requirement.*

Opening Balance	448,446	448,456	439,656
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	11,080	8,600	8,790
Funds to be Used	-	-	-
	<b>459,526</b>	<b>457,056</b>	<b>448,446</b>

### Mobile Bin Program

*To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.*

Opening Balance	1,907,688	1,907,578	1,870,278
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	47,120	39,700	37,410
Funds to be Used	-	-	-
	<b>1,954,808</b>	<b>1,947,278</b>	<b>1,907,688</b>

### North Forrestdale DCP 3

*To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.*

Opening Balance	32,968,458	32,935,057	39,191,257
Funds to be Set Aside - Municipal Funds	5,373	130,000.00	5,373
Funds to be Set Aside - Interest Earnings	814,320	767,200	995,460
Funds to be Used	(3,762,853)	(9,579,240)	(7,223,632)
	<b>30,025,298</b>	<b>24,253,017</b>	<b>32,968,458</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 4. RESERVES - CASH BACKED (Continued)

### North Forrestdale SAR Asset Renewal

*To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.*

Opening Balance	3,286,630	10,253,530	3,180,430
Funds to be Set Aside - Municipal Funds	135,700	135,700	162,590
Funds to be Set Aside - Interest Earnings	81,180	67,200	63,610
Funds to be Used	-	-	(120,000)
	<b>3,503,510</b>	<b>10,456,430</b>	<b>3,286,630</b>

### Plant and Machinery

*To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.*

Opening Balance	2,061,656	1,887,288	2,881,138
Funds to be Set Aside - Municipal Funds	2,000,000	2,000,000	1,661,100
Funds to be Set Aside - Interest Earnings	50,920	29,900	57,620
Funds to be Used	(1,268,547)	(1,910,270)	(2,538,202)
	<b>2,844,029</b>	<b>2,006,918</b>	<b>2,061,656</b>

### Portable Long Service Leave

*To be used to assist in financing the City's Portable Long Service Leave liability.*

Opening Balance	314,042	318,582	293,182
Funds to be Set Aside - Municipal Funds	15,000	15,000	15,000
Funds to be Set Aside - Interest Earnings	7,760	5,500	5,860
Funds to be Used	-	-	-
	<b>336,802</b>	<b>339,082</b>	<b>314,042</b>

### Revolving Energy

*To be used to assist in establishing energy efficient management techniques and practices.*

Opening Balance	93,457	112,840	58,140
Funds to be Set Aside - Municipal Funds	16,557	-	34,157
Funds to be Set Aside - Interest Earnings	2,310	1,100	1,160
Funds to be Used	-	-	-
	<b>112,324</b>	<b>113,940</b>	<b>93,457</b>

### Strategic Asset Investments

*To be used to fund the acquisition of strategic asset investments from the proceeds (70% of net sale proceeds) of selling Freehold land.*

Opening Balance	548,140	737,980	102,964
Funds to be Set Aside - Municipal Funds	-	938,630	443,116
Funds to be Set Aside - Interest Earnings	13,540	800	2,060
Funds to be Used	-	-	-
	<b>561,680</b>	<b>1,677,410</b>	<b>548,140</b>

### Waste Management

*To be used to assist in the management and future provisioning of the City's Waste Management Sites.*

Opening Balance	9,573,052	7,315,282	7,338,182
Funds to be Set Aside - Municipal Funds	1,307,500	1,307,950	2,088,110
Funds to be Set Aside - Interest Earnings	236,450	155,700	146,760
Funds to be Used	-	(1,139,850)	-
	<b>11,117,002</b>	<b>7,639,082</b>	<b>9,573,052</b>

### Workers Compensation

*To be used to assist in covering any workers' compensation liability claims in excess of the City's normal funding capacity.*

Opening Balance	336,968	496,958	330,358
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	8,320	7,500	6,610
Funds to be Used	-	-	-
	<b>345,288</b>	<b>504,458</b>	<b>336,968</b>

### Works Contributions

*To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.*

Opening Balance	617,024	617,024	604,924
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	15,240	11,900	12,100
Funds to be Used	-	-	-
	<b>632,264</b>	<b>628,924</b>	<b>617,024</b>

### Total Reserves

Opening Balance	80,234,083	84,593,363	80,858,321
Funds to be Set Aside - Municipal Funds	9,054,276	6,408,450	7,536,676
Funds to be Set Aside - Interest Earnings	1,981,770	1,572,300	1,828,770
Funds to be Used	(5,181,400)	(13,320,580)	(9,989,684)
	<b>86,088,729</b>	<b>79,253,533</b>	<b>80,234,083</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 5. TRADE and OTHER RECEIVABLES

### Current

Accrued Revenue	6,087,428	2,630,856
Rates Debtors	2,077,129	1,424,608
ESL Debtors	116,419	66,135
Sundry Debtors	2,050,714	1,925,273
Less : Provision for Doubtful Debts	(122,378)	(122,378)
	<b>10,209,311</b>	<b>5,924,494</b>

### Non-Current

Rates Debtors	631,883	553,602
ESL Debtors	58,831	45,989
	<b>690,715</b>	<b>599,591</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### Classification and subsequent measurement

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.

## 6. INVENTORIES

### i) Assets Held for Sale

#### Current

Land - At the Beginning of the year	619,091	1,572,000
Land - Disposed	-	(415,000)
Land - Impaired	-	(35,909)
Land - Transfer Between Asset Classes	-	(502,000)
Land - At the End of the year	<b>619,091</b>	<b>619,091</b>

### ii) Inventories

#### Current

Fuel and Materials	130,890	157,191
	<b>130,890</b>	<b>157,191</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Land held for 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.

#### Land held for sale (Continued)

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 non-current based on the Council's intentions to release for sale.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>7. INVESTMENTS</b>		
<b>Non-Current</b>		
Interest in Local Government House Trust [Note 7(a)]	123,808	123,808
Interest in Rivers Regional Council [Note 7(b)]	97,636	45,545
	<b>221,444</b>	<b>169,353</b>
<b>7(a) Interest in Local Government House Trust</b>		
Financial assets at fair value through profit or loss		
At the Beginning of the Year	123,808	135,676
Increment / (Decrement) During the Year	-	(11,868)
At the End of the Year	<b>123,808</b>	<b>123,808</b>
<i>The accounting share applicable to the City as at 30 June 2018 is calculated based on 8 units @\$15,476.06.</i>		
The City's interest in the Assets and Liabilities of Local Government House Trust is as follows:		
Current Assets	6,332	6,332
Non Current Assets	343,708	343,708
	<b>350,040</b>	<b>350,040</b>
Current Liabilities	226,232	226,232
Non Current Liabilities	-	-
	<b>226,232</b>	<b>226,232</b>
<b>Net Assets</b>	<b>123,808</b>	<b>123,808</b>
<b>7(b) Interest in Rivers Regional Council</b>		
Financial assets at fair value through profit or loss		
At the Beginning of the Year	45,545	121,532
Increment / (Decrement) During the Year	52,091	(75,987)
At the End of the Year	<b>97,636</b>	<b>45,545</b>
<i>The accounting share applicable to the City as at 30 June 2018 is calculated at 21.20% as disclosed in the financial statements of Rivers Regional Council as at 30 June 2017.</i>		
The City's interest in the Assets and Liabilities of Rivers Regional Council is as follows:		
Current Assets	116,465	113,975
Non Current Assets	2,999	11,459
	<b>119,464</b>	<b>125,434</b>
Current Liabilities	20,895	79,522
Non Current Liabilities	933	367
	<b>21,828</b>	<b>79,889</b>
<b>Net Assets</b>	<b>97,636</b>	<b>45,545</b>
<b>8(a). REHABILITATION ASSET</b>		
<b>Non-Current</b>		
Landfill Site Rehabilitation	2,389,362	2,781,272
ADD/(LESS) : Revision to Estimates	609,504	(174,968)
LESS : Amortisation	(199,114)	(216,942)
	<b>2,799,752</b>	<b>2,389,362</b>
<b>8(b). LANDFILL CELL ASSET</b>		
<b>Non-Current</b>		
Landfill Cell - Independent Valuation 2018	5,330,714	8,101,360
Additions After Valuation - Cost	102,140	-
LESS : Revaluation Movements	(4,324,423)	-
LESS : Depreciation	(109,676)	(2,770,646)
	<b>998,755</b>	<b>5,330,714</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>9. PROPERTY, PLANT and EQUIPMENT</b>		
Land - Fair Valuation 2017	102,100,001	102,100,001
Land - Fair Valuation 2017	1,769,100	1,769,100
	<b>103,869,101</b>	<b>103,869,101</b>
Buildings - Fair Valuation 2017	111,797,644	111,380,592
Additions After Valuation - Cost	6,957,637	-
Less Accumulated Depreciation	(26,949,001)	(25,284,806)
	<b>91,806,280</b>	<b>86,095,786</b>
Furniture and Equipment - Fair Valuation 2016	2,439,595	2,439,594
Additions After Valuation - Cost	97,482	59,586
Less Accumulated Depreciation	(978,920)	(777,489)
	<b>1,558,157</b>	<b>1,721,691</b>
Plant and Machinery - Fair Valuation 2016	10,551,336	14,327,223
Additions After Valuation - Cost	6,071,481	4,420,334
Less Accumulated Depreciation	(7,535,612)	(9,009,595)
	<b>9,087,205</b>	<b>9,737,962</b>
Work in Progress		
Buildings	12,572,963	1,621,646
Furniture and Equipment	413,795	97,090.00
Plant and Machinery	277,264	1,580,200
	<b>13,264,022</b>	<b>3,298,936</b>
<b>Total Property, Plant and Equipment</b>	<b>219,584,765</b>	<b>204,723,476</b>

## 9(a). Movements in Carrying Amounts

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

2017/18	Land	Buildings	Furniture and Equipment	Plant and Machinery	Work in Progress	Total
Particulars	\$	\$	\$	\$	\$	\$
Beginning Balance	103,869,101	86,095,786	1,721,691	9,737,962	3,298,936	204,723,476
Additions	-	6,957,636	-	2,272,510	12,014,796	21,244,942
Disposals / Adjustments	-	-	-	(692,512)	-	(692,512)
Adjustments - Transfers between Asset Classes	-	-	-	(603,690)	(1,594,760)	(2,198,450)
Transfers from WIP	-	417,053	37,897	-	(454,950)	-
Depreciation Expense	-	(1,664,195)	(201,431)	(1,627,065)	-	(3,492,691)
<b>Carrying Amount</b>	<b>103,869,101</b>	<b>91,806,280</b>	<b>1,558,157</b>	<b>9,087,205</b>	<b>13,264,022</b>	<b>219,584,765</b>

2016/17	Land	Buildings	Furniture and Equipment	Plant and Machinery	Work in Progress	Total
Particulars	\$	\$	\$	\$	\$	\$
Beginning Balance	102,364,000	94,269,907	1,891,707	7,541,262	4,047,538	210,114,414
Additions	-	1,165,173	16,135	3,450,635	1,682,785	6,314,728
Disposals	-	(273,081)	-	(689,953)	-	(963,034)
Adjustments - Transfers between Asset Classes	502,000	-	-	-	-	502,000
Revaluation Movements - Fair Value	1,003,101	(9,846,002)	-	-	-	(8,842,901)
Transfers from WIP	-	4,301,689	43,451	969,699	(2,431,387)	2,883,452
Impairment	-	(2,297,521)	-	-	-	(2,297,521)
Depreciation Expense	-	(1,224,379)	(229,602)	(1,533,681)	-	(2,987,662)
<b>Carrying Amount</b>	<b>103,869,101</b>	<b>86,095,786</b>	<b>1,721,691</b>	<b>9,737,962</b>	<b>3,298,936</b>	<b>204,723,476</b>





## Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>10. INFRASTRUCTURE</b>		
Roads - Management Valuation 2018	664,383,873	670,258,000
Additions After Valuation - Cost	-	-
Less Accumulated Depreciation	(158,821,394)	(187,757,303)
	<b>505,562,479</b>	<b>482,500,697</b>
Drainage - Management Valuation 2018	391,291,060	394,134,468
Additions After Valuation - Cost	-	2,381,702
Less Accumulated Depreciation	(82,755,772)	(78,240,070)
	<b>308,535,288</b>	<b>318,276,100</b>
Pathways - Management Valuation 2018	76,048,406	63,499,043
Additions After Valuation - Cost	-	756,376
Less Accumulated Depreciation	(22,774,684)	(15,797,603)
	<b>53,273,722</b>	<b>48,457,816</b>
Parks and Reserves - Management Valuation 2018	57,251,020	61,280,988
Additions After Valuation - Cost	-	6,612,899
Less Accumulated Depreciation	(20,276,115)	(20,600,873)
	<b>36,974,905</b>	<b>47,293,014</b>
Waste Infrastructure - Independent Valuation 2018	2,737,017	2,857,919
Additions After Valuation - Cost	-	-
Less Accumulated Depreciation	(534,250)	(336,008)
	<b>2,202,767</b>	<b>2,521,911</b>
Other Infrastructure - Management Valuation 2018	2,005,318	2,254,180
Additions After Valuation - Cost	-	53,380
Less Accumulated Depreciation	(1,067,228)	(1,329,347)
	<b>938,090</b>	<b>978,213</b>
Work in Progress		
Roads	2,704,898	5,450,807
Drainage	1,162,360	121,319
Pathways	363,679	451,428
Parks and Reserves	1,936,393	3,132,558
	<b>6,167,330</b>	<b>9,156,112</b>
<b>Total Infrastructure</b>	<b>913,654,581</b>	<b>909,183,863</b>

### 10(a). Movements in Carrying Amounts

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

2017/18	Roads	Drainage	Pathways	Parks and Reserves	Waste Infrastructure	Other Infrastructure	Work in Progress	Total
Particulars	\$	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	482,500,697	318,276,100	48,457,816	47,293,014	2,521,911	978,213	9,156,112	<b>909,183,863</b>
Additions	3,284,979	13,810	943,218	3,921,859	125,214	124,919	5,499,463	<b>13,913,462</b>
Gifted Assets	13,822,103	15,143,975	531,861	13,320,133	-	-	-	<b>42,818,072</b>
Adjustments - Transfers between Asset Classes	99,106	-	-	26,921	1,960,895	111,528	-	<b>2,198,450</b>
Revaluation Movements - Fair Value	11,802,906	(22,490,452)	4,278,979	(28,434,333)	(2,341,356)	(172,908)	-	<b>(37,357,164)</b>
Transfers from WIP	4,516,450	989,520	451,428	2,530,847	-	-	(8,488,245)	-
Depreciation Expense	(10,463,762)	(3,397,665)	(1,389,580)	(1,683,536)	(63,897)	(103,662)	-	<b>(17,102,102)</b>
<b>Carrying Amount</b>	<b>505,562,479</b>	<b>308,535,288</b>	<b>53,273,722</b>	<b>36,974,905</b>	<b>2,202,767</b>	<b>938,090</b>	<b>6,167,330</b>	<b>913,654,581</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 10(a). Movements in Carrying Amounts (Continued)

2016/17	Roads	Drainage	Pathways	Parks and Reserves	Waste Infrastructure	Other Infrastructure	Work in Progress	Total
Particulars	\$	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	464,408,528	299,780,680	46,765,634	42,116,666	2,550,405	1,025,755	10,767,884	867,415,552
Additions	6,671,797	2,052,061	677,666	4,837,770	-	44,293	8,507,425	22,791,012
Disposals	(59,051)	-	(6,150)	(159,473)	-	-	-	(224,674)
Gifted Assets	16,694,342	19,360,331	2,271,023	229,790	-	-	-	38,555,486
Transfers from WIP	5,043,178	329,641	78,710	1,775,129	-	9,087	(10,119,197)	(2,883,452)
Depreciation Expense	(10,258,097)	(3,246,613)	(1,329,067)	(1,506,868)	(28,494)	(100,922)	-	(16,470,061)
<b>Carrying Amount</b>	<b>482,500,697</b>	<b>318,276,100</b>	<b>48,457,816</b>	<b>47,293,014</b>	<b>2,521,911</b>	<b>978,213</b>	<b>9,156,112</b>	<b>909,183,863</b>

## 11. FAIR VALUE MEASUREMENTS

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-18			Total
		Level 1	Level 2	Level 3	
<b>Non-Financial Assets</b>					
Land	9(a)	-	102,100,001	1,769,100	103,869,101
Buildings	9(a)	-	-	91,806,280	91,806,280
Furniture and Fittings	9(a)	-	-	1,558,157	1,558,157
Plant & Machinery	9(a)	-	-	9,087,205	9,087,205
Roads	10(a)	-	-	505,562,479	505,562,479
Drainage	10(a)	-	-	308,535,288	308,535,288
Pathways	10(a)	-	-	53,273,722	53,273,722
Parks and Reserves	10(a)	-	-	36,974,905	36,974,905
Waste Infrastructure	10(a)	-	-	2,202,767	2,202,767
Other Infrastructure	10(a)	-	-	938,090	938,090
Landfill Cell	8(b)	-	-	998,755	998,755
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		<b>-</b>	<b>102,100,001</b>	<b>1,012,706,748</b>	<b>1,114,806,749</b>

	Note	30-Jun-17			Total
		Level 1	Level 2	Level 3	
<b>Non-Financial Assets</b>					
Land	9(a)	-	102,100,001	1,769,100	103,869,101
Buildings	9(a)	-	-	86,095,786	86,095,786
Furniture and Fittings	9(a)	-	-	1,721,691	1,721,691
Plant & Machinery	9(a)	-	-	9,737,962	9,737,962
Roads	10(a)	-	-	482,500,697	482,500,697
Drainage	10(a)	-	-	318,276,100	318,276,100
Pathways	10(a)	-	-	48,457,816	48,457,816
Parks and Reserves	10(a)	-	-	47,293,014	47,293,014
Waste Infrastructure	10(a)	-	-	2,521,911	2,521,911
Other Infrastructure	10(a)	-	-	978,213	978,213
Landfill Cell	8(b)	-	-	5,330,714	5,330,714
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		<b>-</b>	<b>102,100,001</b>	<b>1,004,683,004</b>	<b>1,106,783,005</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 11. FAIR VALUE MEASUREMENTS (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	Fair Value at 30 June 2018	Valuation Technique(s)	Inputs Used	
Land	2	102,100,001	Market approach	Price per square metre	
Land	3	1,769,100	Cost approach	Price per square metre	
Buildings	3	91,806,280	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	1,558,157	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	9,087,205	Cost and Market approach	Make, size, year of manufacture and condition, Residual value on typical operating condition.	
Roads	3	505,562,479	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	308,535,288	Cost Approach	Price per metre / unit . No residual value. Useful life. Fair Value based on age.	
Pathways	3	53,273,722	Cost Approach	Price per square metre. No residual value. Useful life. Fair Value based on age.	
Parks and Reserves	3	36,974,905	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	2,202,767	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	938,090	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	998,755	Cost Approach	Price per hectare.	
<b>TOTAL</b>		<b>1,114,806,749</b>			



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 11. FAIR VALUE MEASUREMENTS (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 3 valuation inputs were used to value land vested in and under the control of Council as well as land used for special purposes which is restricted in use under current zoning rules. Improvements to land valued using cost approach using construction cost and current condition, residual values and remaining useful life assessment. 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

Most plant and equipment assets are generally valued using the cost approach using current 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 Independent Valuer with the Assistance of the City's 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 Independent Valuer with the Assistance of the City's 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 Independent Valuer with the Assistance of the City's 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 City's 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 Independent Valuer. 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 external Independent Valuer. 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

Landfill valuations were performed by an external Independent Valuer. 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 City has an obligation for future rehabilitation or remediation such costs estimates are discounted to current costs, reported as a liability and also recognised as Rehabilitation Asset.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 12. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### 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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### 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.

#### Revaluation

The fair value of fixed assets is determined at least every three to five years in accordance with the regulatory framework. At the end of each 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.

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

#### Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, 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.

#### 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.

#### Capitalisation Threshold

Expenditure on items of Buildings, Furniture & Equipment and Plant & Machinery under \$5,000 are not capitalised. They are recorded on an asset inventory listing.

Expenditure on items of Infrastructure Assets under \$10,000 are not capitalised.



## Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

### 12. FIXED ASSETS (Continued)

#### 12(a). Disposal of Assets

	Net Book Value		Sale Price		Profit / (Loss)		
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$	
<b>Land and Buildings</b>							
Governance (POS Land Sales )	-	663,000	-	1,340,900	-	677,900	
<b>Total Land and Buildings</b>	<b>-</b>	<b>663,000</b>	<b>-</b>	<b>1,340,900</b>	<b>-</b>	<b>677,900</b>	
<b>Plant and Machinery</b>							
Governance	-	30,090	-	30,090	-	-	
Law Order and Public Safety	16,892	-	20,055	-	3,163	-	
Education and Welfare	39,700	39,700	45,655	45,480	5,955	5,780	
Community Amenities	194,214	312,912	182,546	395,860	(11,668)	82,950	
Recreation and Culture	93,852	131,137	119,448	194,480	25,596	63,340	
Transport	316,055	321,081	543,650	551,630	227,595	230,540	
Economic Services	9,900	9,900	18,691	15,570	8,791	5,670	
Other Property and Services	21,899	11,766	36,700	21,520	14,801	9,750	
<b>Total Plant and Machinery</b>	<b>692,512</b>	<b>856,586</b>	<b>966,745</b>	<b>1,254,630</b>	<b>274,233</b>	<b>398,030</b>	
<b>Total Disposal of Assets</b>	<b>692,512</b>	<b>1,519,586</b>	<b>966,745</b>	<b>2,595,530</b>	<b>274,233</b>	<b>1,075,930</b>	
					Profit on Asset Disposals	285,901	1,075,930
					Loss on Asset Disposals	(11,668)	-
						<b>274,233</b>	<b>1,075,930</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 12. FIXED ASSETS (Continued)

### 12(b). Depreciation

#### Depreciation

Buildings
Furniture and Equipment
Plant and Machinery
Roads
Drainage
Pathways
Parks and Reserves
Waste / Other Infrastructure

2018 Actual \$	2018 Budget \$	2017 Actual \$
1,664,195	1,505,373	1,224,379
201,431	73,987	229,602
1,627,065	3,017,427	1,533,681
10,567,424	6,428,843	10,258,098
3,397,665	1,320,709	3,246,613
1,389,580	829,893	1,329,067
1,683,536	7,409,138	1,506,868
173,573	-	129,415
<b>20,704,469</b>	<b>20,585,370</b>	<b>19,457,723</b>
199,114	-	298,041
<b>199,114</b>	<b>-</b>	<b>298,041</b>

#### Amortisation

Landfill Cell
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### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis 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:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the

#### Depreciation Rates

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

Buildings	60 - 150 years
Electronic equipment	2 - 3 years
Furniture and equipment	5 - 15 years
Plant and machinery	
- Motor Vehicles	1 - 10 years
- Major Plant	5 - 20 years
- Minor Plant & Equipment	1 - 30 years
Roads	
- Sealed	15 - 25 years
- Pavements	65 - 100 years
- Gravel	10 years
- Kerb	50 years
- Formation	Not Depreciated
- Road Bridges	30 - 50 years
Drainage	
- Storm water	25 - 120 years
- Subsoil	25 - 120 years
- Water Harvesting Device	50 years

#### Depreciation (Continued)

carrying amount of the asset after taking into account impairment losses; or

- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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.

#### Depreciation Rates (Continued)

Pathways	20 - 50 years
Parks and reserves	
- Playground equipment	10 - 40 years
- Barbeques	15 years
- Bores	15 - 25 years
- Sport lighting	35 years
- Skate parks	40 years
- Water tanks	50 years
- Active Open Spaces	5 - 50 years
- Park furniture	10 - 50 years
- Passive lighting	25 years
- Boardwalks & Bridges	20 years
- Retaining walls	30 - 80 years
- Bollards	15 - 50 years
- Electric Cabinets	25 years
- Public Open Space Lighting	15 - 35 years



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 13. REVALUATION SURPLUS

	2018 Actual \$	2017 Actual \$
<b>Land</b>		
Opening Balance as at 1 July 2017	97,431,878	96,851,399
Revaluation Increment / (Decrement)	-	1,003,101
Transfer of Revaluation on Asset Impairment	-	(35,910)
Transfer of Revaluation on Asset Disposals	-	(386,712)
	<b>97,431,878</b>	<b>97,431,878</b>
<b>Buildings</b>		
Opening Balance as at 1 July 2017	26,377,267	45,553,159
Revaluation Increment / (Decrement)	-	(9,846,002)
Impairment of Buildings	-	(2,297,522)
Transfer of Revaluation on Asset Disposals/Impairment	-	(7,030,550)
Transfer between classes	-	(1,818)
	<b>26,377,267</b>	<b>26,377,267</b>
<b>Furniture and Equipment</b>		
Opening Balance as at 1 July 2017	281,600	281,600
Revaluation Increment / (Decrement)	-	-
	<b>281,600</b>	<b>281,600</b>
<b>Plant and Machinery</b>		
Opening Balance as at 1 July 2017	123,521	38,093
Revaluation Increment / (Decrement)	-	-
Adjustments	-	141,955
Transfer of Revaluation on Asset Disposals	(123,521)	(56,527)
	<b>-</b>	<b>123,521</b>
<b>Roads</b>		
Opening Balance as at 1 July 2017	290,271,475	290,266,960
Revaluation Increment / (Decrement)	11,802,907	-
Adjustments	-	4,515
	<b>302,074,382</b>	<b>290,271,475</b>
<b>Drainage</b>		
Opening/Closing Balance	251,572,914	251,572,914
Revaluation Increment / (Decrement)	(22,490,452)	-
	<b>229,082,462</b>	<b>251,572,914</b>
<b>Pathways</b>		
Opening Balance as at 1 July 2017	34,291,524	34,438,292
Revaluation Increment / (Decrement)	4,278,979	-
Adjustments	-	(146,768)
	<b>38,570,503</b>	<b>34,291,524</b>
<b>Parks and Gardens</b>		
Opening/Closing Balance	7,772,333	7,772,333
Revaluation Increment / (Decrement)	(7,772,333)	-
	<b>-</b>	<b>7,772,333</b>
<b>Waste Infrastructure</b>		
Opening Balance as at 1 July 2017	2,578,842	2,578,842
Revaluation Increment / (Decrement)	(2,341,356)	-
	<b>237,486</b>	<b>2,578,842</b>
<b>Landfill Cell</b>		
Opening Balance as at 1 July 2017	5,493,866	5,493,569
Revaluation Increment / (Decrement)	(4,324,421)	297
	<b>1,169,445</b>	<b>5,493,866</b>
<b>Other Infrastructure</b>		
Opening/Closing Balance	965,088	965,088
Revaluation Increment / (Decrement)	(172,908)	-
	<b>792,180</b>	<b>965,088</b>
<b>SUMMARY OF REVALUATION SURPLUS:</b>		
Opening Balance as at 1 July	717,160,309	735,812,249
Transfer of Revaluation Surplus on Asset Disposals / Impairment	(123,521)	(7,473,789)
Revaluation Decrement on Asset Impairment	-	(2,333,432)
Changes on Revaluation of Asset Adjustments	-	(1,818)
Changes on Revaluation of Assets During the Year	(21,019,584)	(8,842,901)
<b>Total Revaluation Surplus</b>	<b>696,017,204</b>	<b>717,160,309</b>





# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>14. TRADE and OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	7,568,632	6,813,196
Accrued Salaries and Wages	782,665	870,729
Accrued Expenses	97,702	762,679
Revenue Received in Advance	11,896,735	6,315,586
ESL Liability	60,993	154,715
Payroll Entitlements	226,801	152,824
	<b>20,633,528</b>	<b>15,069,729</b>

## SIGNIFICANT ACCOUNTING POLICIES

### 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

### Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 28 days of recognition.

## 15. PROVISIONS

### Current Employee Benefits Related Provisions

Employees Annual Leave	4,188,957	4,051,762
Employees On-Costs Annual Leave	481,730	465,953
Employees Long Service Leave	3,153,050	3,085,938
Employees On-Costs Long Service Leave	362,601	354,883
	<b>8,186,338</b>	<b>7,958,536</b>

### Non-Current Employee Benefits Related Provisions

Employees Long Service Leave	500,522	548,854
Employees On-Costs Long Service Leave	57,560	63,118
	<b>558,082</b>	<b>611,972</b>

### Total Employee Benefits Provisions

	<b>8,744,420</b>	<b>8,570,508</b>
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### Non-Current Other Provisions

Provision for Rehabilitation of Landfill Site	3,643,370	2,977,796
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### Total Non-Current Provisions

	<b>4,201,452</b>	<b>3,589,768</b>
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### Total Provisions

	<b>12,387,790</b>	<b>11,548,304</b>
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### Provision for Annual Leave

Opening Balance at 1 July 2017	4,517,715	3,843,710
Additional Provisions	141,085	657,343
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	11,887	16,662
	<b>4,670,687</b>	<b>4,517,715</b>
Balance at 30 June 2018	<b>4,670,687</b>	<b>4,517,715</b>

### Provision for Long Service Leave

Opening Balance at 1 July 2017	4,052,793	3,779,467
Additional Provisions	277,284	586,707
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(256,344)	(313,381)
	<b>4,073,733</b>	<b>4,052,793</b>
Balance at 30 June 2018	<b>4,073,733</b>	<b>4,052,793</b>

### Provision for Rehabilitation of Landfill Site

Balance at the Beginning of the Year	2,977,796	3,062,608
Change in Estimates*	609,504	(174,968)
Unwinding Discount	56,070	90,156
	<b>3,643,370</b>	<b>2,977,796</b>
Balance at the End of the Year	<b>3,643,370</b>	<b>2,977,796</b>

\* The change in estimates is attributable to changes in the inflation and discount rates due to changes in economic conditions.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 15. PROVISIONS (Continued)

2018 Actual \$	2017 Actual \$
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### Annual Leave Liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	3,533,746	3,415,785
More than 12 months after the end of the reporting period	655,211	635,978
	<b>4,188,957</b>	<b>4,051,762</b>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

### Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the City of Armadale does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the City of Armadale has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	3,153,050	3,085,938
More than 12 months after the end of the reporting period	500,522	548,854
	<b>3,653,572</b>	<b>3,634,792</b>

The provision for long service leave is calculated at the present value as the City of Armadale does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

### Employee On-Cost Provision

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employees On-Costs' provision.

Carrying amount at start of period	883,954	786,247
Additional (Reversal of) provisions recognised	17,937	97,707
	<b>901,891</b>	<b>883,954</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 15. PROVISIONS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

##### Other long-term employee benefits

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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.

#### 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.

##### 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, landform 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 2017/18 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 lives of the current cell phases.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 16. BORROWINGS

a) Repayment - Debentures ( ACTUAL )	Loan Type	Principal 1 July 2017 \$	New Loans \$	Principal Repayments \$	Principal 30 June 2018 \$	Interest Repayments \$
<b>Governance</b>						
292 Loan Borrowings 2008	Debenture	286,051	-	19,436	266,615	20,176
295 Old Library Conversion 2009	Debenture	253,655	-	79,694	173,962	12,471
296 Loan Borrowings 2009	Debenture	318,009	-	18,132	299,878	19,936
298 Loan Borrowings 2010	Debenture	199,301	-	62,617	136,684	10,262
306 Loan Borrowings 2011	Debenture	315,447	-	72,365	243,082	16,125
316 Orchard House 2014	Debenture	3,161,069	-	124,079	3,036,990	149,229
318 Orchard House 2015	Debenture	10,043,266	-	423,370	9,619,896	349,720
<b>Recreation and Culture</b>						
291 Aquatic Works 2008	Debenture	357,746	-	10,902	346,844	25,522
294 Armadale Library Relocation 2009	Debenture	398,600	-	125,233	273,368	22,020
299 Aquatic Centre Upgrade 2010	Debenture	623,719	-	62,375	561,345	36,272
300 Frye Park Redevelopment 2010	Debenture	166,688	-	52,370	114,318	8,583
302 Aquatic Cnte Upgrade 2012	Debenture	1,159,448	-	54,746	1,104,702	66,697
304 Frye Park Redevelopment 2011	Debenture	865,127	-	40,849	824,278	49,766
305 Piara Waters (North) 2011	Debenture	810,690	-	70,616	740,074	45,047
307 Equestrian Facilities 2012	Debenture	-	-	-	-	(83)
311 Aquatic Centre Upgrade 2012	Debenture	1,321,696	-	63,448	1,258,248	56,562
314 Oval Lighting Renewal	Debenture	743,881	-	82,181	661,700	22,323
315 Armadale Golf Course	Debenture	353,000	-	30,847	322,153	5,664
322 Kelmscott Library Refurbishment	Debenture	644,494	-	64,198	580,296	16,398
327 Lighting Renewal 2018	Debenture	-	283,400	-	283,400	62
329 Infrastructure Parks 2017	Debenture	400,000	-	76,198	323,802	9,213
330 Greendale Centre 2018	Debenture	-	440,000	-	440,000	96
331 Infrastructure Parks 2018	Debenture	-	300,000	-	300,000	65
<b>Transport</b>						
290 ARA Projects 2008	Debenture	29,160	-	14,319	14,841	1,460
303 Civil Works	Debenture	160,995	-	36,933	124,062	8,230
317 Abbey Road Project 2014	Debenture	2,222,006	-	280,725	1,941,280	77,362
320 Abbey Road Project Refinance 2015	Debenture	4,552,800	-	-	4,552,800	141,624
321 Armadale Arena Roofing 2015	Debenture	669,493	-	73,963	595,530	20,184
		<b>30,056,341</b>	<b>1,023,400</b>	<b>1,939,593</b>	<b>29,140,148</b>	<b>1,190,985</b>

\*\*All Loans are with the Western Australian Treasury Corporation

b) Repayment - Debentures ( BUDGET )	Loan Type	Principal 1 July 2017 \$	New Loans \$	Principal Repayments \$	Principal 30 June 2018 \$	Interest Repayments \$
<b>Governance</b>						
292 Loan Borrowings 2008	Debenture	286,081	-	39,600	246,481	20,100
295 Old Library Conversion 2009	Debenture	253,655	-	79,700	173,955	13,800
296 Loan Borrowings 2009	Debenture	318,011	-	36,900	281,111	20,900
298 Loan Borrowings 2010	Debenture	199,286	-	62,600	136,686	10,800
306 Loan Borrowings 2011	Debenture	315,470	-	72,400	243,070	16,900
316 Landmark City Building	Debenture	3,161,023	-	124,100	3,036,923	149,600
318 Landmark City Building 2015	Debenture	10,043,278	-	423,400	9,619,878	155,400
323 Core System Review	Debenture	-	2,500,000	-	2,500,000	-
<b>Recreation and Culture</b>						
291 Aquatic Works 2008	Debenture	357,718	-	22,200	335,518	25,200
294 Armadale Library Relocation 2010	Debenture	398,572	-	125,200	273,372	21,700
299 Aquatic Centre Upgrade 2010	Debenture	623,705	-	62,400	561,305	37,700
300 Frye Park Redevelopment 2010	Debenture	166,705	-	52,400	114,305	9,100
302 Aquatic Centre Upgrade 2011	Debenture	1,159,441	-	84,700	1,074,741	90,500
304 Frye Park Redevelopment 2011	Debenture	865,123	-	40,800	824,323	51,500
305 Piara Waters (North) Sports 2011	Debenture	810,723	-	70,600	740,123	46,700
308 Armadale Hall Upgrade 2015	Debenture	-	691,800	-	691,800	-
311 Aquatic Centre Upgrade 2012	Debenture	1,321,695	-	63,400	1,258,295	108,100
314 Oval Lighting Renewal	Debenture	743,883	-	82,200	661,683	25,100
315 Armadale Golf Course	Debenture	353,000	-	43,100	309,900	26,700
322 Kelmscott Library	Debenture	641,900	-	70,100	571,800	16,900
323 Armadale Hall Upgrade 2018	Debenture	-	2,660,000	-	2,660,000	-
324 Indoor Aquatic Centre	Debenture	-	6,644,000	-	6,644,000	-
327 Lighting Renewal	Debenture	-	283,400	-	283,400	-
330 Greendale Centre	Debenture	-	440,000	-	440,000	-
331 Infrastructure - Parks 2018	Debenture	-	300,000	-	300,000	-
332 Champion Centre Upgrade	Debenture	-	350,000	-	350,000	-
333 Infrastructure - Parks 2017	Debenture	400,000	-	40,000	360,000	41,300
<b>Transport</b>						
290 ARA Projects 2008	Debenture	29,200	-	29,200	-	1,600
303 Civil Works - Roads 2011	Debenture	161,016	-	36,900	124,116	8,600
317 Abbey Road Project 2014	Debenture	2,222,050	-	280,700	1,941,350	86,700
320 Abbey Road Project Refinance 2015	Debenture	4,552,800	-	-	4,552,800	142,000
321 Armadale Arena Roofing 2015	Debenture	669,455	-	74,000	595,455	22,600
		<b>30,053,790</b>	<b>13,869,200</b>	<b>2,016,600</b>	<b>41,906,390</b>	<b>1,149,500</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>16. BORROWINGS (Continued)</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	2,217,288	2,004,608
	<b>2,217,288</b>	<b>2,004,608</b>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	26,922,860	28,051,737
	<b>26,922,860</b>	<b>28,051,737</b>

## c) New Debentures - 2017/18

Particulars	Amount Borrowed Actual	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used Actual	Balance Unspent
	\$			\$	%	\$	\$
<b>Actual</b>							
327 Lighting Renewal 2018	283,400	Debenture	5	62	2.66%	283,400	-
330 Greendale Centre 2018	440,000	Debenture	5	96	2.66%	440,000	-
331 Infrastructure Parks 2018	300,000	Debenture	5	65	2.66%	300,000	-
	<b>1,023,400</b>			<b>223</b>		<b>1,023,400</b>	-

Particulars	Amount Borrowed Budget	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used Budget	Balance Unspent
	\$			\$	%	\$	\$
<b>Budget</b>							
308 Armadale Hall Upgrade 2015	691,800	Debenture	10	-	5.00%	691,800	-
323 Armadale Hall Upgrade 2018	2,660,000	Debenture	10	-	5.00%	2,660,000	-
324 Indoor Aquatic Centre	6,644,000	Debenture	10	-	5.00%	6,644,000	-
326 Core System Review	2,500,000	Debenture	10	-	5.00%	2,500,000	-
327 Lighting Renewal	283,400	Debenture	5	-	5.00%	283,400	-
330 Greendale Centre	440,000	Debenture	5	-	5.00%	440,000	-
331 Infrastructure - Parks 2018	300,000	Debenture	5	-	5.00%	300,000	-
332 Champion Centre Upgrade	350,000	Debenture	5	-	5.00%	350,000	-
	<b>13,869,200</b>			-		<b>13,869,200</b>	-

\*\* All new loans have been taken out with the Western Australian Treasury Corporation

## d) Unspent Debentures

The City had no unspent debentures at 30 June 2018.

## e) Overdraft Facilities

The City did not utilise an overdraft during the 2017/18 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 2017 and 30 June 2018 was nil.

## SIGNIFICANT ACCOUNTING POLICIES

### Financial liabilities

Financial liabilities are recognised at fair value when the City becomes a party to the contractual provisions to the instrument.

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

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.

### 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.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>17. NOTES to the STATEMENT of CASH FLOWS</b>		
<b>a) Reconciliation of Cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash 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	<b>110,132,081</b>	<b>103,054,306</b>
<b>b) Reconciliation of Net Cash Provided by Operating Activities to Net Result</b>		
Net Result	42,422,441	48,197,229
Depreciation	20,704,469	19,457,723
Amortisation	199,114	298,041
(Loss) on Revaluation of Infrastructure - Parks and Reserves	20,662,000	
Developer Contribution Plans - Gifted Assets	(42,818,072)	(38,555,486)
(Profit) / Loss on Sale of Asset	(274,233)	(787,520)
Non Cash Effect of Rates in Advance	-	(4,678,888)
Non Cash Effect of Grants & Contributions in Advance	-	(89,950)
(Increase) / Decrease in Investments	(52,091)	87,855
(Increase) / Decrease in Receivables	(4,375,941)	1,472,958
(Increase) / Decrease in Inventories	26,301	27,060
Increase / (Decrease) in Payables	5,563,794	6,783,325
Increase / (Decrease) in Provisions	229,982	796,077
Grants and Contributions for Asset Development	(13,885,210)	(4,093,733)
Developer Contribution Plans - Cash	(6,242,945)	(4,619,352)
<b>Net Cash from Operating Activities</b>	<b>22,159,609</b>	<b>24,295,338</b>
<b>c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft Limit	100,000	100,000
Credit Card Limit	16,000	16,000
<b>Total Amount of Credit Unused</b>	<b>116,000</b>	<b>116,000</b>
<b>Loan Facilities</b>		
Loan Facilities - Current	2,217,288	2,004,608
Loan Facilities - Non-Current	26,922,860	28,051,737
<b>Total Facilities in Use at Balance Date</b>	<b>29,140,148</b>	<b>30,056,345</b>
<b>Unused Loan Facilities at Balance Date</b>	<b>-</b>	<b>-</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

	2018 Actual \$	2017 Actual \$
<b>18. TOTAL ASSETS CLASSIFIED by FUNCTION and ACTIVITY</b>		
General Purpose Funding	113,940,966	106,347,817
Governance	84,581,924	85,620,654
Law, Order and Public Safety	448,038	486,077
Health	122,443	119,695
Community Amenities	63,798,576	71,272,913
Recreation and Culture	55,625,531	55,136,600
Transport	846,068,835	824,732,039
Economic Services	2,029,704	1,720,769
Other Property and Services	92,425,370	86,714,876
	<b>1,259,041,385</b>	<b>1,232,151,440</b>

## 19. CONTINGENT LIABILITIES

The City had no contingent liabilities at 30 June 2018.

## 20. CAPITAL and LEASING COMMITMENTS

### (a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	1,463,058	1,176,285
- later than one year but not later than five years	2,887,761	2,271,996
- later than five years	441,704	322,040
	<b>4,792,523</b>	<b>3,770,321</b>

### (b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	22,885,357	4,852,503
- plant and machinery purchases	1,000,818	520,467
	<b>23,886,175</b>	<b>5,372,970</b>

Payable:

- not later than one year	<b>23,886,175</b>	<b>5,372,970</b>
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The capital expenditure projects outstanding at the end of the current reporting period is represented by the following expenditure groups:

Group		
Drainage	220,504	14,380
Land / Buildings	20,703,837	1,897,503
Parks	1,572,227	305,433
Pathways	68,847	73,187
Plant / Machinery	1,000,818	520,467
Roads	319,942	1,585,533
Other Infrastructure	-	976,467
	<b>23,886,175</b>	<b>5,372,970</b>

## SIGNIFICANT ACCOUNTING POLICIES

### 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.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 21. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Members Allowance	451,427	454,780	451,513
Mayoral Allowance	88,864	88,860	88,864
Deputy Mayoral Allowance	22,216	22,220	22,216
Travelling Allowance	6,970	10,500	6,369
Communication Reimbursement	13,815	16,180	14,572
Child Minding Reimbursement	50	5,000	-
Information Technology Allowance	49,000	49,000	49,000
Vehicle Operation - Mayor	12,062	12,000	9,938
	<b>644,404</b>	<b>658,540</b>	<b>642,472</b>

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the City during the year are as follows:

	2018 Actual \$	2017 Actual \$
Short term employee benefits	1,153,223	1,157,287
Post employment benefits	165,487	165,786
Other long term benefits	31,587	25,859
Termination benefits	-	-
	<b>1,350,297</b>	<b>1,348,932</b>

#### Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members.

#### Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

#### Termination benefits

These amounts represent termination benefits paid to KMP.

#### Transaction with Related Parties

Transactions between related parties, and the City are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No related party transactions occurred with the below related parties during the 2017/18 financial year. There were also no committed agreements with the said related parties as at the balance date.

#### Related Parties

The City's main related parties are as follows:

##### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### ii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.





## Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

### 22. RATING INFORMATION

#### a) Rating Information (Budget)

Rate Type	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Gross Rental Value Lands						
Group 1 - Vacant	14.170	993	22,099,810	3,131,500	1,006,500	4,138,000
Group 2 - Residential Improved	8.335	28,196	545,186,407	45,441,300	-	45,441,300
Group 3 - Business Improved	8.822	677	90,140,947	7,952,200	-	7,952,200
Unimproved Value Lands	0.4361	132	168,907,000	736,600	-	736,600
<b>Sub-Total</b>		<b>29,998</b>	<b>826,334,164</b>	<b>57,261,600</b>	<b>1,006,500</b>	<b>58,268,100</b>

#### Minimum Payments

Gross Rental Value Lands						
Group 1 - Vacant	1,140	1,688	9,354,753	1,924,300	-	1,924,300
Group 2 - Residential Improved	1,140	2,755	34,196,999	3,140,700	-	3,140,700
Group 3 - Business Improved	1,326	434	4,913,767	575,500	-	575,500
Unimproved Value Lands	1,365	24	4,918,492	32,800	-	32,800
<b>Sub-Total</b>		<b>4,901</b>	<b>53,384,011</b>	<b>5,673,300</b>	<b>-</b>	<b>5,673,300</b>

#### General Rates Raised

Rate Concessions						(34,700)
Back Rates						-

#### Total General Rates Raised

Specified Area Rates						487,680
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#### Total Rates Raised

#### Rating Information (Actual)

#### Rate Type

Gross Rental Value Lands						
Group 1 - Vacant	14.170	1,004	21,920,610	3,106,152	(33,300)	3,072,852
Group 2 - Residential Improved	8.335	28,570	547,876,368	45,665,508	1,059,234	46,724,742
Group 3 - Business Improved	8.822	680	94,854,121	8,368,031	153,140	8,521,171
Unimproved Value Lands	0.4361	132	167,707,000	731,370	(43,172)	688,198
<b>Sub-Total</b>		<b>30,386</b>	<b>832,358,099</b>	<b>57,871,061</b>	<b>1,135,902</b>	<b>59,006,963</b>

#### Minimum Payments

Gross Rental Value Lands						
Group 1 - Vacant	1,140	1,724	9,479,183	1,965,360	14,726	1,980,086
Group 2 - Residential Improved	1,140	2,769	34,346,500	3,156,660	(5,842)	3,150,818
Group 3 - Business Improved	1,326	370	4,140,744	490,620	(3,484)	487,136
Unimproved Value Lands	1,365	54	10,777,492	73,710	(54,230)	19,480
<b>Sub-Total</b>		<b>4,917</b>	<b>58,743,919</b>	<b>5,686,350</b>	<b>(48,830)</b>	<b>5,637,520</b>

#### General Rates Raised

Rate Concession						(34,144)
Back Rates						-

#### Total General Rates Raised

Rate Equivalent Payments and Adjustments						30,090
Specified Area Rates						488,670

#### Total Rates Raised

						65,129,100
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# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

22. RATING INFORMATION (Continued)	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
<b>b) Specified Area Rates (Budget)</b>						
<b>Rate Type</b>						
<b>Specified Area Rate - GRV</b>						
A - Armadale CBD	0.376	86	31,430,053	118,200	-	118,200
B - Kelmscott CBD	0.871	146	9,048,723	78,800	-	78,800
C - Kelmscott Industry	0.173	335	11,399,709	19,700	-	19,700
D - South Armadale Industry	0.350	135	6,437,060	22,500	-	22,500
F - North Forrestdale	0.281	3,619	83,664,454	235,200	-	235,200
G - Champion Lakes	0.258	290	5,144,370	13,280	-	13,280
<b>Total</b>		<b>4,611</b>	<b>147,124,369</b>	<b>487,680</b>	-	<b>487,680</b>

## Specified Area Rates (Actual)

### Rate Type

#### Specified Area Rate - GRV

A - Armadale CBD	0.376	86	31,521,729	118,522	(499)	118,023
B - Kelmscott CBD	0.871	146	9,028,723	78,640	29	78,669
C - Kelmscott Industry	0.173	335	11,460,104	19,826	17	19,843
D - South Armadale Industry	0.350	136	6,416,978	22,459	-	22,459
F - North Forrestdale	0.281	3,619	83,761,444	235,370	572	235,942
G - Champion Lakes	0.258	291	5,175,230	13,352	382	13,734
<b>Total</b>		<b>4,613</b>	<b>147,364,208</b>	<b>488,169</b>	<b>501</b>	<b>488,670</b>

In the 2017 - 2018 financial year, the City imposed 6 separate Specified Area Rates, the purpose of which was to enhance the amenity of selected areas by way of increased and improved service levels.

Four of the six (Areas A - D) 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 six (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.

### c) Service Charges

No service charges were imposed for the 2017 - 2018 financial year. As such, no transfer to or from Reserve Accounts has occurred.

### d) Discounts, Incentives, Concessions and Write-Offs

#### Discounts

No discounts were offered in the 2017 - 2018 financial year.

#### Incentives

Four rate payment incentives were offered in the 2017 - 2018 financial year. The first incentive was one prize 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 fifth incentive was four prizes of \$1,000 to those ratepayers currently using or opting to use the City's 'Smarter Way To Pay' option.

#### Concessions

During the 2017/18 year the City of Armadale issued rates concessions to 217 rate payers. The total of rates concessions applied was \$34,144.

#### Write-Offs

The following write-offs were made during the 2017 - 2018 financial year -

Rates	51,119
General	319,710
Infringements	24,486
	<b>395,315</b>



## Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

### 22. RATING INFORMATION (Continued)

#### e) Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	234,635	165,000
Interest on instalment plans	5.5	-	247,962	223,000
Interest on Emergency Services Levy (ESL)	11	-	17,378	9,000
Charges on instalment plans (per payment)	-	8.00	195,320	142,500
Charges on special arrangements	-	48.00	8,463	54,000
			<b>703,758</b>	<b>593,500</b>

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.

### 23. MAJOR LAND TRANSACTIONS

No major land transactions occurred during the 2017/18 financial year.

### 24. MAJOR TRADING UNDERTAKINGS

No major trading undertakings occurred during the 2017/18 financial year.

### 25. EVENTS AFTER THE REPORTING PERIOD

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

### 26. EMPLOYEE NUMBERS

Number of Full-Time Equivalent Employees at Balance Date

2018 Actual	2017 Actual
<b>387</b>	<b>378</b>

### 27. NET CURRENT ASSETS

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
<b>Surplus/(Deficit)</b>	<b>13,750,024</b>	<b>13,832,180</b>	<b>13,832,180</b>
<b>Comprises:</b>			
Cash - Unrestricted	24,043,352	22,820,222	22,820,222
Cash Restricted	86,088,729	80,234,085	80,234,085
Receivables and Accruals	10,209,311	5,924,494	5,924,494
Land Held for Resale	619,091	619,091	619,091
Inventories	130,890	157,191	157,191
	<b>121,091,373</b>	<b>109,755,083</b>	<b>109,755,083</b>
Creditors & Accruals	(20,633,528)	(15,069,729)	(15,069,729)
Interest Bearing liabilities	(2,217,288)	(2,004,608)	(2,004,608)
Provisions	(8,186,338)	(7,958,536)	(7,958,536)
	<b>(31,037,154)</b>	<b>(25,032,873)</b>	<b>(25,032,873)</b>
<b>Net Current Position (prior to adjustments)</b>	<b>90,054,219</b>	<b>84,722,210</b>	<b>84,722,210</b>
<b>Less:</b>			
Reserves	(86,088,729)	(80,234,083)	(80,234,083)
Land Held for Resale	(619,091)	(619,091)	(619,091)
<b>Add:</b>			
Current Borrowings	2,217,288	2,004,608	2,004,608
Employee Provisions Reserve Cash Backed	8,186,338	7,958,536	7,958,536
	<b>13,750,024</b>	<b>13,832,180</b>	<b>13,832,180</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 28. 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	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Financial Assets</b>				
Cash and cash equivalents	110,132,081	103,054,305	110,132,081	103,054,305
Receivables	10,900,026	6,524,085	10,900,026	6,524,084
	<b>121,032,107</b>	<b>109,578,390</b>	<b>121,032,107</b>	<b>109,578,389</b>
<b>Financial Liabilities</b>				
Payables	20,633,528	15,069,730	20,633,528	15,069,730
Borrowings	29,140,148	30,056,345	29,815,299	20,582,592
	<b>49,773,676</b>	<b>45,126,075</b>	<b>50,448,828</b>	<b>35,652,322</b>

	Carrying Amount \$	Not Past Due and Not Impaired \$	Up to 1 month \$	1 - 3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$	Impaired Receivable \$
<b>2017/2018</b>								
Receivables	10,606,325	7,449,403	174,771	97,889	2,498,282	385,980	-	-
<b>2016/2017</b>								
Receivables	6,454,915	4,098,276	206,451	58,431	1,839,640	252,117	-	-

### 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 2.48% (2016/17 - 2.63%).

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 2018 \$	30 June 2017 \$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	1,101,321	1,030,543
Income statement	1,101,321	1,030,543

### b. Receivables

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

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

The City makes suitable provision for doubtful receivables, as required, and carries out credit checks on most non-rate debtors. There are no material receivables that have been subject to a re-negotiation of repayment terms.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 28. FINANCIAL RISK MANAGEMENT (Continued)

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

	2018 \$	2017 \$
Value of Rates and Annual Charges		
Current	2,498,282	1,839,640
Overdue	385,980	252,117
	<b>2,884,261</b>	<b>2,091,757</b>
Percentage of Rates and Annual Charges		
Current	87%	88%
Overdue	13%	12%
	<b>100%</b>	<b>100%</b>
Value of Other Receivables		
Current	7,711,030	4,084,854
Overdue	304,735	347,474
	<b>8,015,765</b>	<b>4,432,328</b>
Percentage of Other Receivables		
Current	96%	92%
Overdue	4%	8%
	<b>100%</b>	<b>100%</b>

### 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
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	20,633,528	-	-	20,633,528	20,633,528
Borrowings	3,803,189	19,678,396	19,271,479	42,753,064	29,140,148
	<b>24,436,718</b>	<b>19,678,396</b>	<b>19,271,479</b>	<b>63,386,592</b>	<b>49,773,676</b>
<b>2017</b>					
Payables	15,069,729	-	-	15,069,729	15,069,729
Borrowings	3,571,441	18,751,403	19,271,479	41,594,323	30,056,345
	<b>18,641,170</b>	<b>18,751,403</b>	<b>19,271,479</b>	<b>56,664,052</b>	<b>45,126,074</b>

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 \$
<b>Year ended 30 June 2018</b>					
<b>Borrowings</b>					
<b>Fixed Rate</b>					
Debentures	4.14	3,803,189	19,678,396	19,271,479	<b>42,753,064</b>
<b>Year ended 30 June 2017</b>					
<b>Borrowings</b>					
<b>Fixed Rate</b>					
Debentures	4.19	3,571,441	18,751,403	19,271,479	<b>41,594,323</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 28. FINANCIAL RISK MANAGEMENT (Continued)

### d. Liquidity Risk and Interest Rate Exposure

The following table details the City of Armadale's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The interest rate exposure section analyses only the carrying amounts of each item.

#### Interest Rate Exposure and Maturity Analysis of Financial Assets and Financial Liabilities.

	Interest Rate Exposure					Maturity Dates		
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$	Up to 1 month \$	1 - 3 months \$	More than 3 months \$
<b>2017/2018 - Financial Assets</b>								
Cash and Cash Equivalents	2.43%	24,043,352	16,000,000	5,191,899	2,851,453	2,009,360	4,000,000	18,033,992
Restricted Cash and Cash Equivalents	2.50%	86,088,729	80,000,000	6,084,648	4,081	7,000,000	5,000,000	74,088,729
Receivables	-	10,606,325	-	-	10,606,325	7,624,174	97,889	2,884,261
		<b>120,738,405</b>	<b>96,000,000</b>	<b>11,276,547</b>	<b>13,461,859</b>	<b>16,633,534</b>	<b>9,097,889</b>	<b>95,006,982</b>
<b>2017/2018 - Financial Liabilities</b>								
Payables		<b>20,633,528</b>	-	-	<b>20,633,528</b>	<b>20,633,528</b>	-	-
<b>2016/2017 - Financial Assets</b>								
Cash and Cash Equivalents	2.62%	22,820,222	11,000,000	11,318,158	502,064	5,010,010	4,000,000	13,810,212
Restricted Cash and Cash Equivalents	2.67%	80,234,083	74,000,000	6,142,739	91,344	12,000,000	4,000,000	64,234,083
Receivables	-	6,454,915	-	-	6,454,915	4,304,727	58,431	2,091,757
		<b>109,509,220</b>	<b>85,000,000</b>	<b>17,460,897</b>	<b>7,048,323</b>	<b>21,314,737</b>	<b>8,058,431</b>	<b>80,136,052</b>
<b>2016/2017 - Financial Liabilities</b>								
Payables		<b>15,069,729</b>	-	-	<b>15,069,729</b>	<b>15,069,729</b>	-	-

	Balance 1 July 2017 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2018 \$
<b>29. TRUST FUNDS</b>				
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	2,773,367	59,659	(623,305)	2,209,721
Cash in Lieu - POS - Agreements	26,725	673	-	27,398
Cash in Lieu - POS - Heron	152,580	171,143	-	323,723
Cash in Lieu - POS - Jarrah	67,478	1,700	-	69,178
Cash in Lieu - POS - Lake	742,893	18,026	(42,116)	718,803
Cash in Lieu - POS - Minnowarra	9,657	212	(1,242)	8,627
Cash in Lieu - POS - Neerigen	570,436	28,434	-	598,870
Cash in Lieu - POS - River	19,430	489	-	19,919
Cash in Lieu - POS - CY O'Connor Village	59,322	1,496	-	60,818
Cash in Lieu of Footpaths	453,864	33,132	-	486,996
Cash in Lieu of Parking	210,702	5,309	-	216,011
Contractors Deposits	7,686,172	1,784,924	(4,991,678)	4,479,418
Hall and Key Deposits	95,372	291,495	(279,755)	107,112
Nomination Deposits	-	2,080	(2,080)	-
Cash in Lieu - POS - Flematti Res 49251	242,211	8,772	-	250,983
Kerb Deposits	1,647,611	436,200	(375,000)	1,708,811
Donations	-	3,500	(3,500)	-
POS - Precinct A - Westfield	353,050	8,897	-	361,947
POS - Precinct B - Seville Grove	35,735	900	-	36,635
POS - Precinct C - West Armadale	219,574	5,532	-	225,106
POS - Precinct E - Mount Richon	255,314	-	(255,314)	-
POS - Precinct F - Clifton Hills	700,059	17,638	-	717,697
POS - Precinct G - Creyk	492,241	12,402	(114,968)	389,675
POS - Precinct H - Mount Nasura	825,866	218,032	-	1,043,898
POS - Precinct N - Forrestdale	222,573	5,608	-	228,181
POS - Precinct O - Palomino	68,760	1,733	-	70,493
POS - Regional Recreation Infrastructure	3,636,493	824,605	-	4,461,098
Rates in Suspense	55,802	11,300	(883)	66,219
SEMACC Lease Liability	10,525	-	-	10,525
Town Planning Bonds	594,988	-	(543,626)	51,362
John Dunn Reserve Upgrades	161,414	1,398	-	162,812
Environmental Bond Urban SP South-Piara	346,058	16,065	-	362,123
DCP No3 Item 11A Keane Road Construction	34,853	-	-	34,853
	<b>22,771,125</b>	<b>3,971,354</b>	<b>(7,233,467)</b>	<b>19,509,011</b>



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 30. 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 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	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.  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.  The City has elected to early adopt AASB 15, hence this standard is applicable with effect from 1 July 2016.
(iii) AASB 16 Leases	Feb 2016	1 Jan 2019	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 into the 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 when AASB 16 is adopted.  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.
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	Dec 2016	1 Jan 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

The City has elected to early adopt AASB 1058, hence this standard was applicable with effect from 1 July 2016. With respect to leases entered into at below market rates, principally to enable the entity to further its objectives, and were classified as operating leases in accordance with AASB 117 - Leases, the City will continue to apply accounting policy under AASB 117 to those operating leases. On transition to AASB 16 Leases, the City will apply the transition requirements of that Standard to leases classified as operating leases in accordance with AASB 117.

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

### 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.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

(i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 Jan 2017
(ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 Jan 2017



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 31. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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.

### b) Current and non-current classification

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 or non-current based on the City's intentions to release for sale.

### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

### d) 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 statements that has a material effect on the statement of financial position, 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.

### e) 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.

### f) 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.

### g) Fair value of assets and liabilities

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.





# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 31. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

### h) 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 the service capacity of an asset.

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 assumptions are considered unobservable.

### i) Impairment of assets

In accordance with Australian Accounting Standards the City's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.



# Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

## 32. ACTIVITIES/PROGRAMS

City operations as disclosed in these financial statements encompass the following service orientated 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.

### 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.



## Notes to, and forming part of, the Financial Report

For the year ended 30 June 2018

### 33. FINANCIAL RATIOS

	2018	2017	2016
Current Ratio	1.53	1.73	2.55
Asset Sustainability Ratio	0.44	0.52	0.78
Debt Service Cover Ratio	7.10	6.88	5.36
Operating Surplus Ratio	0.00	0.01	-0.04
Own Source Revenue Coverage Ratio	0.93	0.93	0.91
Asset Consumption	0.76	0.75	0.75
Asset Renewal Funding	1.48	1.55	1.39

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	=	$\frac{\text{own source operating revenue}}{\text{operating expense}}$
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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