

# Annual Report 2020/21





# Our Values

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## SAFETY

We demonstrate personal responsibility for the safety and wellbeing of everyone around us. Everything we do relies upon the safety of our workforce and the community. We care about the safe management of the environment.

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## HONESTY

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

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## 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.

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## RESPECT

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

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## PROFESSIONALISM

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



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## HOW TO USE THIS DOCUMENT:

1. Scan the QR Codes to access interactive elements and digital content.
2. Listed throughout the document are numbers that relate to objectives listed in the **Strategic Community Plan 2020-2030**.



Scan the QR code to access the Strategic Community Plan 2020-2030

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# Mayor's Foreword



**We are pleased to present the 2020/21 City of Armadale, Annual Report to our community. In 2020, the City adopted its new Strategic Community Plan, providing the blueprint for the City's future direction.**

The plan represents a shared community vision and sets out long term strategies designed to strengthen and build upon Armadale's unique assets and positioning. Council successfully developed an updated Corporate Business Plan, which outlines the key actions and projects to be undertaken over the next four years, in order to achieve the aspirations and objectives outlined in our Strategic Community Plan.

Council adopted a responsible budget which included an increased allocation of funds towards asset renewal reserves and made a concerted effort to improve the City's financial sustainability.

Despite the impact of occasional Covid-related disruptions, 2020/21 was marked by a number of major construction projects getting underway, and others being completed. The City allocated \$15.1M in capital works projects, including the new Bedforddale Volunteer Bush Fire Station, the Creyk Pavilion rebuild and upgrades at the John Dunn Hall and Pavilion. The Novelli Pavilion and associated beach volleyball courts were completed and now provide residents with both sporting amenities and a contemporary community space.

The new \$1.7M Bedforddale Volunteer Bush Fire Station is a world-class facility

which was extremely well-received by our bushfire volunteers and the community. The purpose built station better facilitates the brigade's growing volunteer membership and boasts modern training and communication facilities. The new Cross Park Cricket and Netball Pavilion provides much needed change rooms, storage and kitchen facilities for the local cricket and netball clubs and other community groups. The restoration and upgrade of the Roleystone Theatre, will provide a home for the City's performing arts community, when completed.

Major upgrades at the City's landfill and recycling facility on Hopkinson Road in Hilbert were also completed during this time, and restoration works along the Canning River at Rushton Park and Fancote Park are assisting with the protection of native wildlife breeding places and increasing the natural habitat in the area.

Although the 2020 Highland Gathering and 2021 Australia Day Fireworks event had to be cancelled due to Covid restrictions, the fireworks were put to use at a special WA Day celebration in June 2021. Our much-loved Carols by Candlelight and volunteer 'thank you' event was extremely popular and the Armadale Hills Open Studio Trail had its best year ever, due to a concerted effort to increase domestic tourism.

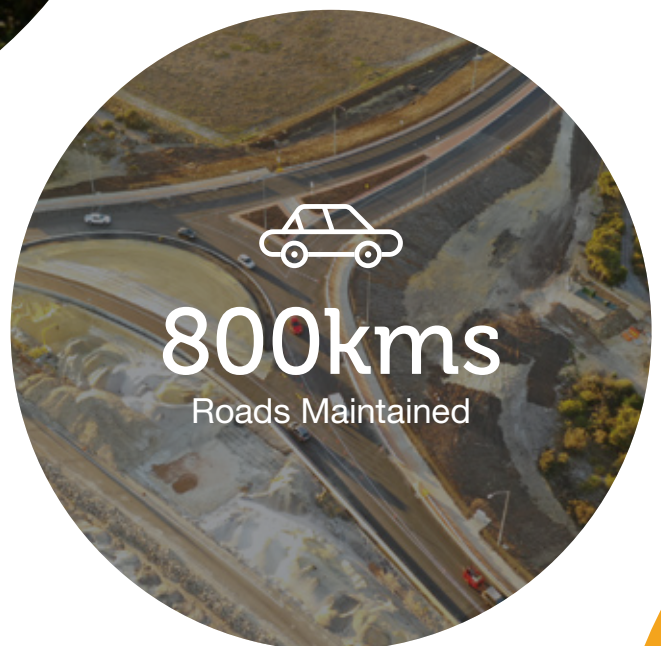
The City continued to support the arts, with the Minnawarra Art Awards proceeding successfully, albeit with masks and crowd restrictions.

After many years of advocacy, in July 2020, the City welcomed the WA Premier's announcement regarding the construction of a new inner city TAFE for Armadale. The State Government's \$22.6M TAFE is a welcome investment in education, giving local young people access to a choice of study options close to home and well connected to public transport. The Armadale TAFE will be a state of the art campus and play an instrumental role in training our future workforce. The investment will create much-needed jobs during and after construction, leaving a legacy of education and training for the community.

I thank our Councillors, the City's dedicated staff and our community, for all we have achieved during the 2020/21 reporting period and look forward to continuing to build our shared future.

**Cr Ruth Butterfield  
Mayor**

# City Snapshot







603

Number of  
Employees



\$123,969m\*

Total Revenue

\*incl. Capital Grants, Developer Contributions and  
Proceeds from Sale of Assets)



93,928

Population



55,639

Number of Electors



28km

Distance from Perth CBD



# Elected Members

## RIVER WARD



**MAYOR**  
Cr Ruth Butterfield



Cr Hugh Jones

## MINNAWARRA WARD



Cr Kerry Busby



Cr Gary Smith

## HILLS WARD



Cr Grant Nixon



Cr Caroline Wielinga

## LAKE WARD



**DEPUTY MAYOR**  
Cr Carole Frost



Cr Michelle Silver

## RANFORD WARD



Cr Shanavas Peter JP



Cr Jeff Munn CMC



## HERON WARD



**Cr Donna Shaw**

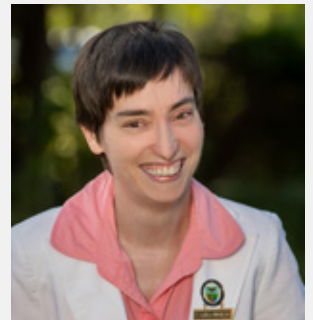


**Cr Emma Flynn**

## PALOMINO WARD

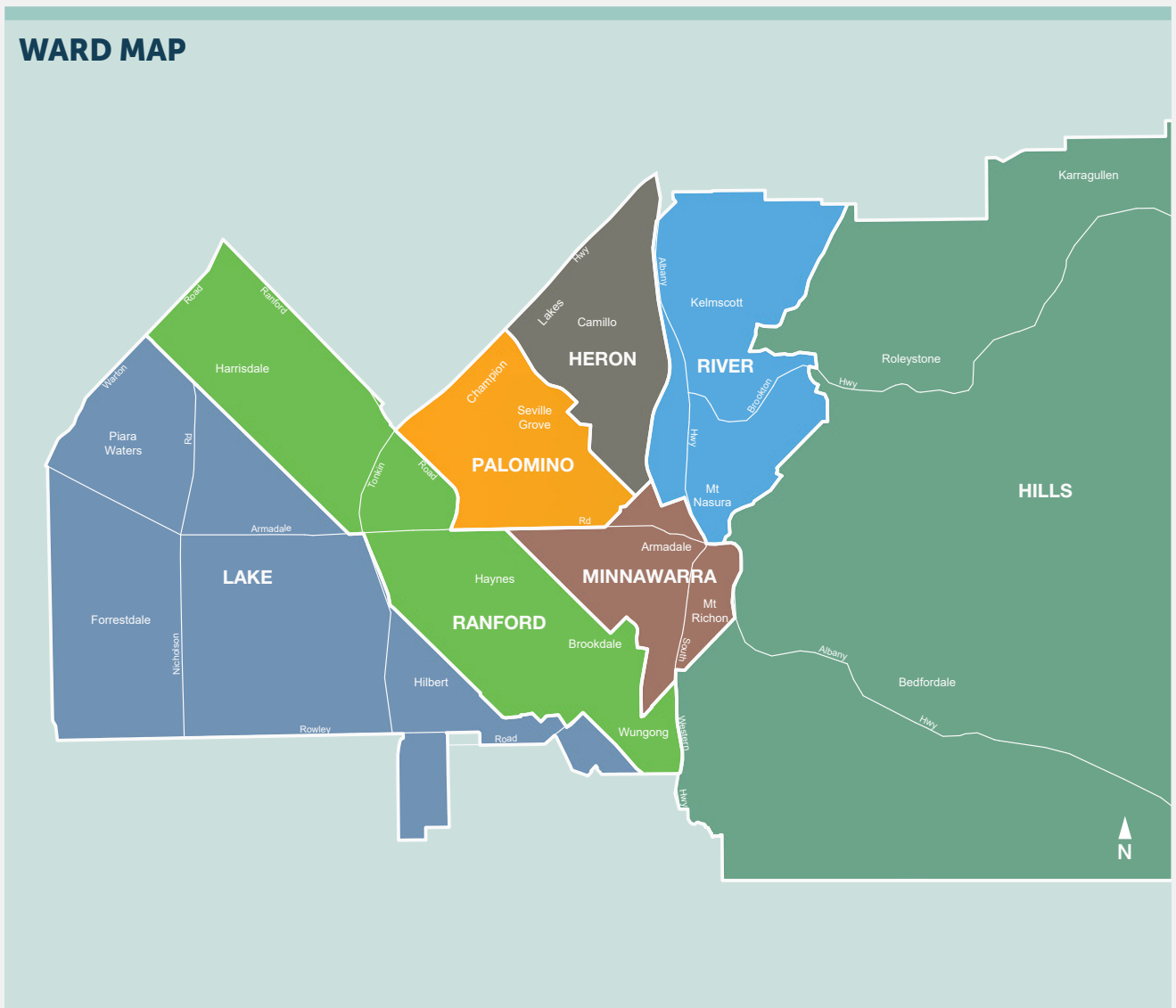


**Cr Colin Campbell JP**



**Cr Melissa Northcott**

## WARD MAP



For current Councillor details visit  
[www.armadale.wa.gov.au/mayor-councillors-and-wards](http://www.armadale.wa.gov.au/mayor-councillors-and-wards)







# CEO Message



**Across the 2020-21 financial year, the City has continued to be agile in the ever-changing environment of COVID-19 while maintaining operational performance and aiming for delivery of improvements. In addition to the ongoing pandemic, we have faced a global skills shortage and a number of other external pressures which together have served to make the operational environment significantly more challenging than in previous years.**

The budget was developed in response to the COVID-19 Pandemic Emergency with the most notable features being a freeze in the City's rate revenue, and the application of a \$1.87M COVID-19 Rates Concession, to ensure that no ratepayer received a rates increase over and above the rates they paid in the previous year.

The City's capital works program totaled \$49.6M. Key major projects completed included the construction of a new \$1.68M Bedforddale Fire Station for the Bedforddale Volunteer Bushfire Brigade, the Novelli Pavilion in Piara Waters, and major upgrades to the City's landfill and recycling facility.

The City's population continues to steadily grow. We're planning for and delivering critical community infrastructure while balancing our role as caretaker of our local environment with the need to improve the region's economic prospects and posterity. To this end, the City has focused on delivering projects that meet the needs of both the community and environment.

We strive to build a strong, connected, healthy, and safe community. The provision of funding for community grants encourages local community organisations and groups to empower the community, increase community

participation, and foster community pride. Our community grants program totaling almost \$45,000 covered sports, a community kindergarten, cultural groups, a men's shed, groups offering critical community support, and animal welfare. In addition, the City allocated \$39,476.05 to 10 organisations who focused on community recovery activities under the COVID-19 recovery grants scheme.

Our libraries and museums play a fundamental role in the community offering opportunities to learn, safe spaces to meet, and a wide range of resources and services. Over the 2020/21 period, our libraries were visited 250,000 times, 309,000 items were borrowed, 15,700 events were held, 4,220 early literacy packs were delivered, and a large number of schools and home school groups participated in museum education programs.

In its role of caretaker, the City focuses on caring for the environment. Under the Urban Forest Strategy, the City plants 1,000 trees annually, our Habitat Links program assists residents to enhance the biodiversity and health of the City's natural environment, and we have a strong environmental focus on reuse, recycling and diversion of waste from landfill. A new and improved process of waste streams separation

at the landfill facility ensures greater efficiency and a higher recycling rate. In 2020/21, restoration works at Rushton Park, in the heart of Kelmscott, included the planting of native species to stabilise the Canning River riverbank to assist in the protection of native wildlife breeding places, and to enhance the natural habitat.

Our vision is one for a bright future for the City of Armadale. Our ethos is one of care for our community, our businesses and our environment. And it's this ethos that underpins every aspect of our work.

**Joanne Abbiss**  
**Chief Executive Officer**

# Year in Review

The 2020/21 financial year was one of great achievement for the City of Armadale, its residents, local businesses and community organisations.

## JULY 2020

- New Inner-City TAFE Campus in Armadale announced
- CoA froze rate revenue as part of 2020/21 budget

## AUGUST 2020

- Project Youth hub begins

## SEPTEMBER 2020

- Spring into Armadale begins
- Armadale Hills Open Studio Arts Trail
- Armadale Young Writers' Awards winners announced
- Bedfordale Fire Station funding secured
- Australian Citizenship Day 2020 - 58 new citizens welcomed

## NOVEMBER 2020

- Cross Park Cricket and Netball Pavilion opens
- Armadale Writers' Award winners announced
- METRONET Byford Rail Extension announced
- COVID-19 Recovery Grants Program launches
- Landfill and Recycling Facility upgraded
- 'Armadale and a World at War' exhibition launches

## DECEMBER 2020

- Carols by Candlelight







## MAY 2021

- › Kelmscott Cenotaph 100<sup>th</sup> Anniversary
- › Native Plants for Residents
- › Bedfordale Fire Station opens
- › WA Day Fireworks

## APRIL 2021

- › Minnawarra Art Awards
- › Armadale Arts Festival
- › Julie Fearn-Pheasant 2021 Armadale Arts Festival Artist
- › Small Business Friendly Approvals Program announced



## JANUARY 2021

- › Roleystone Theatre redevelopment begins
- › At-home for Australia Day
- › Australia Day Citizenship Ceremony - 51 new citizens welcomed
- › Community Citizen of the Year Awards 2021
- › Novelli Pavilion opens
- › Creyk Park redevelopment begins



## MARCH 2021

- › Movies in March
- › Harmony Day at the Champion Centre



## FEBRUARY 2021

- › FOCUS Photo Competition 2021
- › Music in the Mall begins

# Awards & Achievements

## *Demonstrating Best Practice*



**In 2020/21, we delivered award-winning work and were recognised locally and nationally in a number of areas.**

### Environmental Services

We were endorsed as a Water Wise Council.

### Major Arts and Events

We obtained \$34,330 from the Department of Local Government, Sport and Cultural Industries Outer Metro Arts Grant program. This allowed us to implement an extracurricular music program at Armadale Senior High School (ASHS) in partnership with the WA Youth Jazz Orchestra (WAYJO). This project will be delivered through the school throughout 2021, culminating in school and public performances in October 2021.

### AFAC

- AustSwim WA Swim School of the Year 2020
- David Aldous Young Professional of the Year Award 2020 (Damon Lee)
- Royal Life WA Pool Lifeguard Challenge Winners 2021

### Strategic planning

Our Town Planners/Planning Department put five approved structure plans in place during the 2020/21 financial year. This included identifying over 100 ha for employment generating industrial and business commercial developments. An additional nine Planning Scheme Amendments were approved/gazetted for TPS 4 identifying appropriate zones and controls for ongoing residential and commercial developments, growing the City's future population and economic development.

### Property Services

Property Services were presented with an Award by the Kelmscott Bulldogs Football Club in recognition of their professionalism, service and support to help the Club achieve their goals during COVID-19.

### Building Services

We were a finalist in the Master Builder's Local Government Best Practice Award.

### Library and Heritage

Museum and Galleries National Awards 2021 – History House's "Armadale and a World at War" exhibition received the Highly Commended award in the category 'Permanent Exhibition (Project Budget \$20,000-\$150,000).

### Community Planning

We secured \$2,448,604 in external capital grants.







*Aspiration 1*

# Community





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**STRATEGIC COMMUNITY PLAN  
FOCUS AREAS**

- 1.1 Foster and strengthen community spirit
  - 1.2 Improve community wellbeing
  - 1.3 Community Facilities meet community needs
  - 1.4 An inclusive and engaged community
- 



**5,562**

Armadale Fitness &  
Aquatic Centre Members

**17,405**

Attendees at Major Events

**730,640**

Armadale Fitness &  
Aquatic Centre Visits

**250k**

Library Visits

**37**

Major Events  
(+10 cancelled because of COVID)

**\$81,948**

Funding Across Community  
and COVID-19 Grants

# Live. Work. Play.

Related Objectives:

1.1.3 1.2.1 1.3.1 1.4.1 1.4.3



**We foster and strengthen the community spirit that's bound the region since its earliest days. This sense of 'togetherness' and 'vibrancy' is what makes Armadale a desirable and welcoming community for all.**

## Social Priorities Approach to Community Development

### 2019 – 2021 focus areas

The Social Priorities approach to community development works to empower communities to meet their aspirations and respond to areas of concern. We identified four priorities across five suburbs via a range of data sets and engagement with 930 residents:

- Armadale South: Youth engagement and education
- Brookdale: Early years and family support
- Camillo: Community safety
- Harrisdale: Culturally and Linguistically Diverse Community connection to groups and services
- Seville Grove: Community safety

### Snapshot of results

- 4,756 community members engaged/participated across initiatives addressing the Social Priorities. From this, 1301 were Culturally and Linguistically Diverse and 138 were Aboriginal and Torres Strait Islander residents.
- Community Safety handbook produced
- Armadale Youth Advisory Council established
- Safety Incentive Scheme launched (\$200 rebate for the installation of home security measures)
- Community Safety Crime Prevention commenced (funded by the Department of Justice)
- Mental Health First Aid through the Multicultural Advisory Group for Culturally and Linguistically Diverse communities – 14 people attended
- Nature Play passport produced – total of 6,000 copies provided to local families
- Early Years Parent Information session – 17 attended with a 94% satisfaction rate
- Tiny Tot First Aid session - 22 attended with a 100% satisfaction rate
- Service Agreements: Organisations contracted to deliver a service, included:
  - **Supported Playgroup:** 35 children and parents participated including seven CaLD families and five Aboriginal families, with

12 families on a waitlist and parents connecting outside of the playgroup

- **Multicultural Communities Council of WA:** 'Respectful Relationships' program engaged with over 700 households and reported a 99.2% satisfaction rate
- Hope Community Services: Outreach Youth Workers engaged with over 200 young people and aided confidence and wellbeing in young people

## Armadale Volunteer Services

It's estimated that the contributions made by volunteers are worth over \$39 billion to Western Australia each year. Armadale Volunteer Services benefits many potential local volunteers and organisations and in 2020/21 the Service:

- Had a record number of people express interest in volunteering (95 requests in January 2021 alone)
- Retained a membership of 136 organisations
- Provided 70 one-on-one volunteer consultations
- Held 22 one-on-one consultations for organisations delivering seniors, youth, arts, environment and support services
- Delivered six volunteer training workshops with 92 attendees
- Delivered two training workshops for organisations with 26 attendees



- Held a 'Thank a Volunteer' event at the movies as part of National Volunteer Week

### First Aid Training for volunteers

Volunteers from sporting clubs, service clubs and not-for-profit organisations were keen to improve their knowledge and skills in first aid. Royal Life Saving Association of WA facilitated two accredited courses, with participants receiving Certificates of Attainment. In total, 33 volunteers and volunteer managers received Certification in Providing First Aid and CPR.

### Cultural competency training for volunteers

Requests from volunteers and volunteer managers led to the delivery of a cultural competency training session. Held at the Champion Centre, this training session increased participants' knowledge and understanding of the Aboriginal community. 32 volunteers took part.

## Financial Assistance Program

Related Objectives: 1.1.3

### Community Grants

We received 22 applications and funded 14 organisations in Round One of our Community Grants program. The total amount requested was \$60,269, with \$28,098 granted (the total pool of funds for each round was \$30,000).

We received nine applications for Round Two of our Community Grants program totaling \$21,750. Six applications were eligible and received community grants of \$16,874.

### COVID-19 Recovery grants



We allocated \$39,476.05 to 10 organisations who focused on community recovery activities. Funded projects included emergency relief, family friendly events, a financial literacy program, and seniors services.

### Capacity building

As part of our 'Grow Your Knowledge'

program, we held four Grant Information Sessions in partnership with other funding organisations. These workshops aimed to build capacity in local organisations to help them attract funding, undertake strategic planning, and evaluate and report on funded projects effectively.

On average, 40 people attended the four sessions and reported a 90%+ overall satisfaction rate.

Program Round One		
ORGANISATION	PROJECT	AMOUNT FUNDED
<b>Equipment (Max \$1,000)</b>		
Armadale Gymnastics Club	Beam Equipment	\$1,000
Armadale Kelmscott Swimming Club	Club Promotion Equipment	\$1,000
Kindaimanna Community Kindergarten	IT Equipment	\$1,000
Roleystone Tennis Club	Equipment	\$375
The Australian Free Reformed Community Archive and Collection Inc.	Display and Storage Equipment	\$1,000
Valluvan Tamil School	IT Equipment	\$1,000
<b>One-Off Project (Max \$2,500)</b>		
Armadale Junior Soccer Club	Armadale Girls Only Soccer Clinics	\$1,250
Dale Sport Club Inc.	Hooking Into Our Community	\$2,050
Harrisdale Men's Shed	Construction of new workbenches	\$2,055
Malayalee Association of Western Australia	Mother's Day Celebration	\$2,500
Perth United Malayalee Association WA	Skill Development Day for Children	\$2,500
<b>Extended Program (Max \$5,000)</b>		
Befriend Inc.	Activate Harrisdale	\$4,868
Hope Community Services	Street Yarning Community Hub	\$5,000
Impact Youth Armadale	The Gathering Community Dinners	\$2,500
Program Round Two		
ORGANISATION	PROJECT	AMOUNT FUNDED
<b>Equipment (Max \$1,000)</b>		
ARKS Netball Club	Equipment for start-up	\$874
Roleystone Junior Football Club	Equipment upgrade	\$1000
<b>One-Off Project (Max \$2,500)</b>		
RSPCA WA	Community Action Day	\$2500
Telethon Kids Institute	Koorlungkas Yarning Community Event - Video Development	\$2500
<b>Extended Program (Max \$5,000)</b>		
Stephen Michael Foundation	Nightfields Program	\$5000
Roleystone Community College P&C	Canteen Mural Project	\$5000

# Aboriginal Development

Related Objectives:

1.1.2 1.1.4 1.2.2 1.2.4 1.4.3

## Coordination of Sector Networks

Related Objectives: 1.2.1 / 1.2.2 / 1.4.4

We coordinate five sector networks which brings local organisations together to share information and resources, and sustain partnerships in smaller working groups. This helps local organisations to address specific issues rather than work in isolation and duplicate services. These networks comprise:

- Armadale Early Years Network, with 118 members
- Armadale Youth Network, with 97 members
- South East Metro Emergency Relief Network, with 86 members
- Multicultural Advisory Group, with 15 members
- Access and Inclusion Network, with 54 members

We're also represented on external networks such as headspace, Communities for Children and the Youth and Community Service hub based at Armadale Senior High School.

## Coordination of the Champion Centre as a Service Hub

The operation of the Champion Centre is based on a co-location model, once termed a 'one-stop-shop', for a range of services provided by different organisations. It aims to make service access easy for community members at a welcoming community centre staffed by skilled experienced officers.

The Champion Centre has space to accommodate up to 24 organisations via its hot desk working hub, and received 200 community member visits per week. The Centre also hosted Network Lunches for 25 participants per month for service organisations and the South East Metro Emergency Relief Forum (which we also coordinate).

## Aboriginal Elder Support

We provide ongoing support to the Aboriginal Elders as they give local guidance and advice for the community and stakeholders. A core group of 10 Elders meet weekly at the Centre to take part in:

- Elders Gatherings – family history, Noongar language and other cultural protocols
- Journey of Truth and Healing – Bush Medicine Workshops ten week program
- Aboriginal Women's Healing Group
- Demars Social Club

## Programs at the Champion Centre

The Indigenous Advancement Strategy Children and Schooling Program: This program is funded by the Australian Government and comprises of two part-time Aboriginal Children and Families Officers.

The 0-5 year old playgroup attract 20 children and their parents per week. Parents are shown how to provide for their children in practical ways, like learning how to prepare healthy food and make blankets. Staff also assist parents with accessing services and advocating on their behalf.

The after school program for children aged 5-12 attracts 35-40 kids and 8-10 parents and grandparents. The program teaches sports and life skills in an inclusive, non-competitive way that involves the whole family.

## Koort Maarakool Project

This is an essential support program to assist local Aboriginal families. The project is a coordinated approach to provide families with a short-term readjustment process in a safe, structured and healthy environment. Koort Maarakool includes:

- **A Food Security Program** in partnership with Aldi and Coles. They provided excess fruit, vegetables and other items to those who are in need of the basics. 75-100 boxes are distributed each week, with an average of 175 people accessing food and emergency relief per week.





- **Family and domestic violence** self-referrals helped 15 people per month.
- **Food Hack Nutrition** helped five participants per session on a twice weekly basis.
- **Emergency Relief Program** provided personal hygiene, pantry and other items to 30 people per month including those experiencing homelessness, and family and domestic violence.
- **Four pop-up shops** provided good quality donated clothes and household items for families in need.

#### **Daily informal drop in service**

This program includes:

- **Community Centre Drop In** helped 20–50 community members each week who required information on registering the birth of babies, access to birth certificates, financial aid, proof of Aboriginality, assisting with legal forms, medical aid, housing, referrals to services, advocating on their behalf by calling or providing resources, and access to Koort Maarakool.
- **Funeral Assistance Program** provided assistance to six families with information regarding funerals, Eulogy Books for funerals, wakes and food (through the Food Security Program).

#### **Aboriginal Driver Training Program**

WA Police and former Aboriginal Liaison Officer Woody Humes facilitated this program. An average of 20 participants per fortnight participated to get their Learner's Permit.

#### **Aboriginal Yarning Group**

KM Noongar Consultancy Service (KMNCS) facilitated a weekly Aboriginal Yarning Group for ten Aboriginal people with a NDIS plan.

#### **Im Moordidjabinj (Becoming Strong)**

- This free motivational program for Aboriginal people supported and encouraged healthy eating and exercise through education and workshops.
- Cecil Andrews Clontarf Academy
- The Champion Centre facilitated a Cultural Men's Program in which 10 young men from Cecil Andrews participated in learning didgeridoo making, playing didgeridoo and cultural dancing. The program encompasses good lifestyle choices, cooking and having access to Elders in the community.

#### **Events at the Champion Centre**

##### **Harmony Day**

Around 120 children and adults from local playgroups and child care centres attended this event on 23 March 2021. Uncle Mort Hansen (with support from Aboriginal staff at Save the Children) hosted a cultural workshop which taught traditional dance, played didgeridoo, showed a 'days gone by' historical photo display and taught culture through story time. Harmony Day was held in partnership with Communicare.

##### **National Aboriginal and Torres Strait Islander Children's Day**

With a theme of 'Proud in Culture, Strong in Spirit', this event included cultural dance performances by six boys from the Bridya Mia Norps (Champion Centre Boys) Dance Troupe and 21 girls from the Kaarla Djookians (Fire Sisters) Dance Troupe. There were also face painters, balloon twisters, a sausage sizzle and smoothies for the children and families to enjoy.

# Major Events and Arts

Related Objectives:

1.1.1



## 3,000

People attended  
Carols by Candlelight

## 4,900

Viewed the Carols by  
Candlelight livestream

## \$25,000

Total prize pool for the  
Minnawarra Art Awards

## \$27,091

Value of the 10 creative  
projects contracted through  
the Creative Isolation project

## 3,500+

Audience members enjoyed  
the eight weeks of the Music  
in the Mall series presented  
in Jull Street Mall

## 33

Artists and 4 studios  
participated in the  
Armada Hills Open Studio  
Arts trail

### Implications of COVID

Many events were cancelled across the State due to COVID-19 and the strict regulations around events. We delivered all events that were possible within the existing regulations at the time.

In 2020, 10 events were cancelled including Outside the Frame, Armadale Highland Gathering and the Perth Kilt Run, Hawkers Markets, Christmas Parade, Australia Day and a number of programs in the Armadale Arts Festival.

The Australia Day event was replaced with a live broadcast of local artists through Heritage FM on the day, and the addition of the WA Day community event with fireworks.

### Key Event Highlights

#### Carols by Candlelight

The 2020 Carols by Candlelight event was safely delivered after COVID-19 restrictions eased. All 3,000 free tickets booked and an additional 4,900 people viewed the event via the livestream.

Following consultation with the Access and Inclusion Reference Group, further improvements were implemented to safely increase audience numbers and inclusion (refer to 'Aspiration 4 – Leadership' on page 44 for further details).

The event also included the only Aboriginal school choir in Perth (Willandra Primary School) and two songs were also sung in Noongar language – We Are One and Silent Night.

#### Minnawarra Art Awards

The \$25,000 prize pool and the first prize of \$12,000 for the City of Armadale Art Award attracted many prestigious Western Australian artists. There was also a significant increase in entries from local and Aboriginal artists.

We also extended the public program to include artist and curator floor talks which provided a deeper insight into the artists and artworks presented.

#### New Events – WA Day and Avon Descent Community Day – Armadale

Attracting an estimated 8,500 patrons, WA Day acted as a successful replacement for the cancelled Australia Day event. Culture Counts Survey results show that:

- 87% said it helped them feel part of the community
- 84% said it encouraged them to take part in community activities
- 88% said it made them feel proud of their local area

Unfortunately, the new Avon Descent Community Day – Armadale was cancelled on the day due to severe weather warnings.



## Key Arts Highlights

### Creative Isolation

Many artists lost all ability to generate income because of COVID-19 lockdowns, and people at home were searching for activities to safely engage with. This project encouraged local artists to devise creative solutions to engage with their audiences whilst still conforming to Government restrictions. We contracted ten diverse arts projects to the value of \$27,091.

### Armada Hills Open Studio Arts Trail

Four studios featuring 33 artists attracted a total of 4,288 visitors, making 2020 the most successful year for the event (visitor numbers vs. number of studios). The revenue generated for artists was higher than any other year, plus artists and trail business sponsors (Bean Thru, David Giles Art Gallery (Fremantle), The Organic Circle and The Pink Deli) were encouraged and upskilled in marketing:

- Artists increased their social media followers (up to 40% increase)
- AHOSAT's Facebook Page reached thousands daily (ranging from 2,000 – 3,500 per day during the event)
- Three local café sponsors saw an increase in patrons during the event
- The Pink Deli nearly tripled daily sales and described AHOSAT as "the best thing that's happened to their business this year"

### Music in the Mall

This annual live music program was held in Jull Street Mall in 2020. Its goal was to increase patronage in a safe and vibrant atmosphere while featuring local musicians and community groups. Over 3,500 people engaged with the program with one local business owner experiencing the best day of trade in over a year.



### Augmented Reality Armadale



In an Armadale first, technology, art and nature came together through a series of unique augmented reality experiences. This project launched at the Armadale Arts Festival in 2020 and highlights some of the incredible features of the local area.

### Public Art

Two new community murals were created in Ticklie Park and the Seville Grove Library/Champion Centre Community Garden with young local participants.

#### Seville Grove Library Mural

Renowned Noongar artist, Sharyn Egan, installed a mural on the rear wall of the Seville Grove Library. Two groups of young people involved with the Champion Centre also participated in the mural's installation. The mural's concept was developed with local Aboriginal students from Grovelands Primary School in late 2019 and the words 'Kaartdijin Mia' were incorporated into the mural, signifying knowledge house or place.

#### Ticklie Park Half Court Mural

Community Connecting Youth (CCY) was contracted to work with local community and young people to transform the cement half court into a visually appealing and welcoming space for local residents. The floor of the court was covered by shapes in the Mondrian style, with colours representing the flags of the countries and cultures identified as particularly prominent in Seville Grove (Aboriginal, India, the Philippines, Burma/Myanmar and Sudan). The white stars on the court represent the countries with stars on their flags and there are eight motifs of local animals included.

## COMMUNITY COMMENTS



"We trawled Google looking for a Christmas event which had disability options. Yours is the only one! I don't care how far away it is. My whole family is so excited to be coming."

— Carols by Candlelight

"We really enjoyed the arts exhibition. Armadale has a beautiful gallery. All exhibits are well placed. Well done whoever arranged it. Thoroughly enjoyed our time here."

— Minnawarra Art Awards

"Fireworks is the best for me, but kids entertainment was excellent. Proud to live here and be able to enjoy our suburb"

— WA Day

"Really great for the community and bringing people together"

— Music in the Mall

Loved learning more about managing emotions and practical ideas. Would love more parenting workshops

— Parenting Workshops

# Community Facilities and Recreation Services

Related Objectives:

1.1.2 1.2.3 1.3.1 1.4.2 1.4.4



## Facilities and Recreation Highlights

- Updated the Lease and Licence Policy which allowed us to enter into new agreements for use of our facilities
- Delivered the Every Club program via a grant from the Department of Local Government, Sport and Cultural Industries which provided support to local clubs
- Opening of Novelli Pavilion in Piara Waters as a new hire facility availability to the community
- Bookings staff received over 6,000 calls
- Approximately 17,000 bookings took place across our facilities and reserves

## AFAC Highlights

- Swim school reached 2,742 enrolments, 14,000 hours of lessons completed and 3,500 students passing a level
- Total centre attendance of 730,640 for the year
- 26,861KL of water used in the facility which is equal to 15 Olympic sized swimming pools
- Conducted 2,651 gym programs
- 76.8km of gym wipes used

## Community Planning

The Regional Netball Basketball Facility Needs and Feasibility Study demonstrated the need for a regional facility comprising of 20 outdoor courts, eight indoor courts and associated

amenities. Council endorsed Stage 1 for the Armadale Regional Recreation Reserve and progressed to developing a business case, to be reported back to Council in 2021/22. Furthermore, completion of Regional Badminton Facility Needs Assessment identified the need for an expanded 15 court facility (business case pending).

We secured over \$2.4 million in external capital grants. Our community planning team also made preparations for 2021/22 project delivery of the \$3 million Creyk Pavilion, \$3.77 million Morgan Park Pavilion and \$5.8 million Forrestdale Hub redevelopment. Furthermore, Council endorsed our revised Community Infrastructure Plan for 2020-2036.

We undertook a review of Gwynne Park's facilities which identified the prioritisation for redevelopment (2022/23).

We gained an in-principle agreement with the Department of Education to secure shared use of hardcourts at Piara Waters Secondary College (accessible from 2023). This will include leasing space from the school for construction of toilets/store facility for use by casual and community netball clubs as a training facility. This project will assist with a key gap in provision with no court facilities currently in the Harrisdale/Piara Waters area.

We reached an agreement to transfer the Champion Lakes sales office to City ownership (currently home to the Champion Lakes Resident Association).

Work is underway to identify capital upgrades required to make a community facility.

Armadale Community Men's Shed and Roleystone Men's Community Shed were confirmed as joint tenants of the former Bedforddale Fire Station Facility. This ended a decade long search for a home for both groups

## Property Services

Related Objective: 1.3.1

Our Property Services team delivered upgrades to the following facilities:

- The Badminton Club function and office area was re-roofed and had an internal upgrade to the entry, change rooms, function.
- Bob Blackburn Pavilion works included an all-gender change room upgrade to the facilities area with access to the change rooms directly off the oval.
- Work began at the John Dunn Hall and Pavilion, starting with a new accessible ramp, refurbishment of the canteen and installation of spectator amenities. After around 15 years of non-use, the canteen opened in time for the football season finals, with operation and profits raising funds for the club.
- We upgraded the Westfield Scout Hall change rooms, toilets, access and egress, plus completed works to the building's exterior. Repurposed brick paving improved the aesthetics

and entry into the building.

- The main hire area entrance of Harold King, plus the meeting and hire rooms were upgraded in phase one. In phase two, we installed a new kitchen and upgraded the bathroom. The electrical board was upgraded for the whole building, lighting was changed to LED, and the roof had substantial maintenance work.
- Settlers Common environmental area received a much needed new installation of a UAT amenities block, which is also open to the public for walkers on the trails on a timed system.
- Over Christmas, our main administration building underwent a major five week project which renewed the electrical system and IT cabling.

## Strategic Planning

Related Objectives: 2.5.1 / 2.5.2 / 2.5.6

### Fast Facts

- 77 Land development works submissions received, reviewed and approved in 2020/21
- 18 Landscape submissions
- 7 Water management submissions
- 8 Earthworks submissions
- 44 Civil works submissions

### Precinct Structure Plan for the Kelmscott Town Centre

We started preparing a Precinct Structure Plan for the Kelmscott Town Centre to guide future growth and investment. Online community and business operator surveys gained the community's ideas and insights, and we contacted over 1,600 residents, business operators, landowners, community organisations, and government agencies in and immediately surrounding the Town Centre to encourage their involvement. An initial Place Vision workshop was held with business operators and landowners in the project study area, with further preliminary consultation continuing in 2021.

## Subdivisions – Land Development Works

We provided engineering assessment and supervision for subdivision and development submissions to ensure they complied with relevant

specifications and conditions. We also actively engaged with property developers and their consultants to achieve best practice outcomes for water sensitive urban designs and also for high quality sustainable infrastructure (including roads, footpaths, cycle-ways, multiple use corridors and areas of public open spaces).

## Building Services

### Fast Facts

- \$473,653,087 (^177%)  
Total construction value
- 1604 (^147%)  
Residential dwellings approved (highest amount since 2014/15)
- \$362,994,251 (^152%)  
Construction value of residential dwellings
- \$110,658,836 (^310%)  
Construction value of commercial premises (with 16% increase in approvals)

### Applications Lodged

We received 3,034 applications with March having the most monthly lodgements (350) since 2012. This financial year saw a dramatic increase (60% over the previous year) in residential houses built due to government grants.

### Total Build Cost

- 2019/20 = \$197,976,157
- 2020/21 = \$480,229,696

The 2020/21 financial year saw an increase of \$282,253,539 compared to the previous financial year. This was mainly due to the increase in residential housing and some major commercial developments within the City

### Residential Design Codes Variation

R-Code monthly lodgement increased by 61% on the 12 month average, with the 2019/20 average being 22.83 per month and the 2020/21 average being 36.91 per month.

### Orders and Requisitions

The total Orders and Requisition for the 2020/21 financial year was 3,180 (an 89% increase on 2019/20). This was due to the increase in land sales with government grants, as well as Western Australia's booming housing market.



### Request for Building Records

The monthly average was 40.5 (up 36% on the previous year) with the increase mainly due to a surge in house sales and renovations.

### Fast Facts

- 27,769 Total emails
- 544.49 Emails per working week
- 108.89 Emails per working day
- 20,387 Total phone calls taken
- 399.74 Phone calls per working week
- 79.94 Phone calls per working day
- 1,353 Front counter enquiries.

## Ranger and Emergency Services

Related Objectives: 1.2.1 / 4.1.2

### Fast Facts

- 12,292 Jobs raised = 236 per week
- 21,699 Phone calls = 417 per week
- 15,071 Animals registered
- 72% Impounded dogs claimed by their owner
- 26% Impounded dogs rehomed
- 1st Promapping Success with our Emergency Services procedures the first to be fully published



# Library and Heritage Services

Related Objectives:

1.1.4 1.2.5



## 250,000

Library visits

## 309,000

Items borrowed

## 62,000

Electronic loans

## 785

Events and outreach sessions

## 15,700

Number of attendees

## 18,700

Enquiries made

## 4,600

Early literacy packs delivered

## 4,220

Students from 28 schools and home school groups participated in museum education programs

## Library Technology

Local children gained valuable coding and robotics experience thanks to our Sphero Games and CoderDojo programs. Also, our green screen and video facilities gave children the experience of being under the Invisibility Cloak from Harry Potter (with lots of positive feedback from attendees).

## Museum Exhibitions

Our permanent 'Armada and a World at War' exhibition explores the impact of war on the people of the Armadale district – those who served, and their families and the community at home. The exhibition launched in November 2020.

We also launched 'Armada in the 1980s', a fun, temporary exhibition which explored the era of leg warmers, fluoro, and the creation of our City. We shared memories of the AquaTubes, visits to Pioneer Village, and the advent of the personal computer. Visitors also had the chance to share their own memories of living and working in Armadale during the '80's.

## Library & Heritage Competitions

### Armada Young Writers Award

This creative writing competition is open to students from years 3 - 12 who live or attend school in the City of Armadale. We received 231 entries in the 11<sup>th</sup> year of the competition (2020/21). Kyra Bredenhof from John Calvin Christian College won the prize for Years 9/10 and was also declared Overall Winner for the competition.

### Armada Writers' Award

Our creative writing competition is open to all adult writers living in Western Australia. For the fourth year of the competition, we received 96 entries from across the state. The winning entry 'Robert the Bruce', was written by William J. Kite.

## FOCUS

Our annual photographic competition captures images of our district for future generations. This year's theme was 'Emergency Services' and we received 83 entries with a stunning variety of pictures of emergency services buildings, vehicles and staff. The winning entry was Callum Southam with his image "Hospital amongst the hills".

A further eight entries were received in the open "Historical" category, with Pam Herbert taking the prize for "Sixth Road vista" from 1960.

# Health Services

Related Objectives:

1.2.2 1.2.3 1.2.4



## Community Health and Wellbeing Survey 2020

We engaged with the local community to develop our second Public Health Plan. The survey provided better quality information for decision making about the health and wellbeing of our community. We prioritised actions that supported healthier lifestyle opportunities, environments and outcomes for our residents. A total of 1,047 survey responses were collected.

## Community Health and Wellbeing Plan 2021-2024 endorsed by Council



*The Public Health Act 2016* requires all local governments to develop a local Public Health Plan to improve community health and wellbeing. Local governments can contribute to community health and wellbeing in many ways, such as maintaining walking and cycling paths, parks and reserves, recreation facilities, implementing public health programs, hosting community and cultural events, ensuring safe food is provided in our communities, providing smoke and alcohol free environments, managing waste, and controlling pests. With valuable input from our community, the City of Armadale Public Health Plan 2021 – 2024 was endorsed by Council on 23 August 2021.

## Move Your Body Fitness Sessions

We ran free fitness sessions for 45 participants aged 60 years and older from March to June 2021. The sessions focused on increasing strength, balance and flexibility and used existing outdoor fitness equipment to raise awareness of falls and injuries. We also upgraded the workout signage for outdoor fitness equipment across 11 suburbs for community use all year round.

## Armadale, Canning & Gosnells Local Drug Action Group (ACG LDAG)



The Alcohol Action Plan was developed following a review of the literature, local alcohol-related data, and meetings with individual organisations, youth network participants and East Metropolitan Health Service's Aboriginal Community Advisory Groups. Feedback and data gathered from this consultation was used to inform the planning of workshops with key stakeholders, identifying alcohol-related concerns and issues affecting the three local government areas. The Alcohol Action Plan supported partnerships between community and service providers and outlined comprehensive strategies to address identified local alcohol-related priority areas.

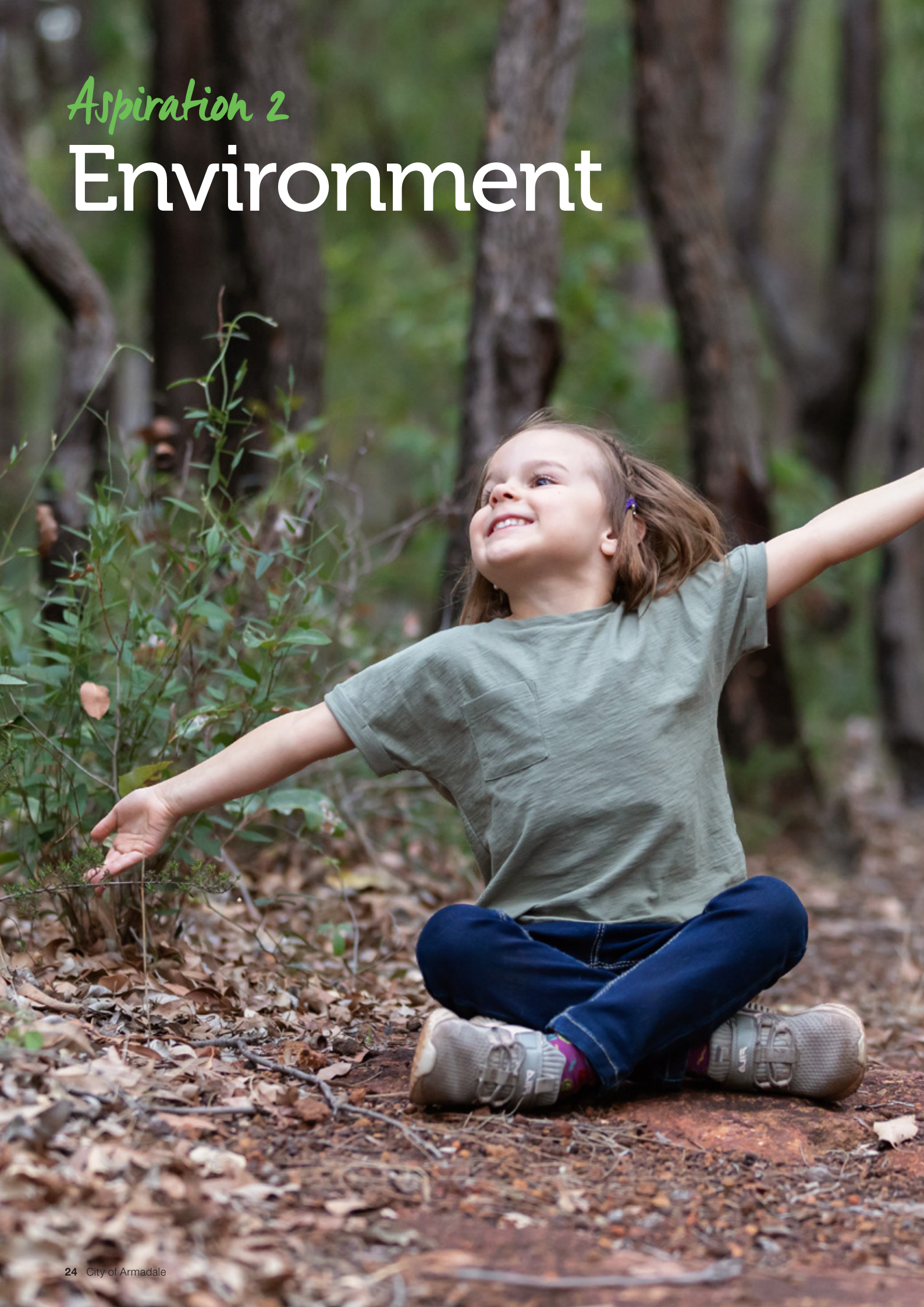
## Blender Bike

We're committed to helping residents lead healthy, active lifestyles and we wanted to make it easier for others to carry this message into the community. Our Blender Bikes offer a healthy and fun fundraising alternative to the usual chocolate drive or cake stall. The bikes are available throughout the year for community organisations, schools and sporting clubs who wish to create pedal-powered smoothies to raise funds for their group. The Blender Bikes were hired 25 times with 2,037 healthy smoothies handed out.



*Aspiration 2*

# Environment





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**STRATEGIC COMMUNITY PLAN  
FOCUS AREAS**

2.1 Conservation and restoration of the natural environment

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2.2 Attractive, inclusive and functional public places

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2.3 Functional, inclusive and sustainable infrastructure

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2.4 Sustainable waste management

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2.5 Quality development that enhances the amenity and liveability of the City

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**27,000+**

Street Trees and Natural Trees  
Maintained by the City

**66**

Resident Requests for Verge Trees,  
Resulting in 85 New Trees Planted

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**1,608<sup>ha</sup>**

Parks and Reserves Maintained

**366**

Reserves Managed by the City

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**109+**

Playgrounds in the City of Armadale

**592.8<sup>km</sup>**

Pathways Maintained, including PAWs,  
Reserves, On Road and Unclassified

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# Repair. Enhance. Grow.

Related Objectives:

2.1.1 2.1.6 2.1.8 2.1.9 2.2.4 2.5.7



**As one of the fastest growing areas in Perth, our City has experienced rapid urban development. This growth highlights the need for a balanced approach to retain and protect our natural environment.**

## Roley Pools

We upgraded entry, directional and interpretive signage as part of the Roley Pools Management Plan implementation. This also included a video series on the history of Landcare and Indigenous Heritage of the area and new signage infrastructure. Concept designs for the pedestrian crossing were also progressed and awarded to a consultant.

The new trail infrastructure was launched and promoted to the local community at a series of community events and supported with banners, brochures and web promotion.

On-the-ground efforts at Roley Pools focused on the removal of blackberry weeds and the replanting of 30,000 native species into the river reserve.

## Habitat Links

The Habitat Links program promotes the importance of ecological corridors and habitat for wildlife. We do this by

helping landowners improve biodiversity conservation and enhance habitat on their private properties.

Habitat Links targets larger properties that contain or are next to significant areas of bushland, wetlands and waterways. Participants of the program receive native seedlings and technical advice to help with revegetation, wildlife habitat creation, weed and feral animal management, erosion control and environmental monitoring.

### Fast Facts

- 155 landowners expressed interest in the program
- 99 eligible landowners participated
- 65 participants received free native seedlings
- 7,200 seedlings planted
- 27 site visits completed
- 1 participant won an engraved wooden bench

## Armadale Gosnells Landcare Group (AGLG)

In 2020/21, the AGLG maintained their environmental landcare role at 14 sites within the City. Ecological restoration took place across approximately 8.53 ha within the City of Armadale, Canning and Wungong River catchment.

Over 130 participants took part in the annual national tree day, helping to plant over 5,000 native plants at the Cam Clay Reserve restoration site along the Wungong River. 35,000 native dryland

and wetland plant species were also planted at Cam Clay Reserve over 2020/21.

AGLG also ran new education workshops on native bee hotels, building nest boxes for native wildlife, Noongar landcare workshop and bird ID workshop.

## Dieback Program

Gleavan and Roleybushcare completed dieback treatment in 16 of our natural reserves. Previous treatments are suppressing disease spread with no discernible movement of the disease edge within the treatment areas.

Five additional reserves were assessed for the Dieback Treatment Program, with Conifer and Goolamrup Reserve recommended to be included.

## Bushcare Environmental Working Group

### Bushcare Environmental Group Plenary: Fire Disturbance and Climate Change Interactions

Murdoch University Lecturer, Joe Fontaine, presented a workshop on fire disturbance, its interaction with climate change, and how bushfire and climate is impacting natural bushland and biodiversity. We're now exploring how local government can collaborate on further research within our reserves.



## Bushcare Environmental Group Plenary: Wildlife in the Suburbs

This interactive workshop explored the benefits of urban biodiversity and provided information on how residents can support wildlife in an urban context.

## Plants for Residents

Native Plants for Residents was held at Minnawarra Park on Saturday, 8 May 2021.

### Fast Facts

- 8,000 seedlings available
- Each resident eligible for 10 plants
- 650 people attended
- Great involvement from City Departments with Emergency Services, Waste Services, Health and Wellbeing Services, History Museum and the Armadale Kelmscott Lions Club attending
- Leftover seedlings were planted in Ellis Park, Mount Nasura

## Community Citizen of the Year Awards

Bushcare Volunteer David James and the Friends of Forrestdale Lake received two of the City's Community Citizen of the Year awards, which recognises the wonderful work of individuals and community groups.

## Feral Animal Program

Twice a year throughout spring and autumn, feral animal control is undertaken in priority natural areas. In the 2020/21 period, the following were removed:

- 50 foxes
- 36 pigs
- 33 rabbits
- 20 goats
- 1 feral cat

## Asset Management

Related Objectives: 2.3.1 / 2.3.2 / 2.3.3 / 2.3.4 / 2.3.5

### Fast Facts

- 1,608.2 ha of parks and reserves were maintained in 2020/21, including the verge areas of public open spaces:

Park type	Hectares
Sport	133.56
Nature	1315.75
Recreation	158.89

- A total of 805.8 kms of sealed and unsealed roads maintained
- 592.8 kms of footpaths maintained
- 178 buildings maintained (includes sheds)

## Engineering Design

### Skeet Road

The upgrade of Skeet Road from Reilly Road to Ranford Road included the construction of a median island separated single carriage way, two roundabouts, bicycle lanes, a footpath and street lighting.

### Lake Road Champion Drive

The Lake Road Champion Drive roundabout was granted funding under the State's Blackspot Program. Due to high speed approaches and side swipe crash patterns, a pre-deflection was constructed and a full upgrade of signs and pavement marking was undertaken.

### Talus Drive Billing Place

Median islands were constructed and granted State blackspot funding due to limited sight distances at the intersection. A full upgrade of signs and pavement marking was undertaken.



## ENVIRONMENTAL LANDSCAPE SNAPSHOT:

51,640

Street and natural trees maintained by the City

23

School landscape planting events

24

Community landscape planting events

2852.8

Volunteer hours

6

Education workshops

3

Conferences attended

8.53 ha

Of restoration

\$221,636

In grant funding received





# Waste Management

Related Objectives:

2.4.1

2.4.2

## Best Practice Waste Management

Along with the collection and disposal of waste and resource recovery, we also embarked on other ways to improve services:

- Further development of the new transfer station at the landfill, including improvements designed to reduce OSH risk and improve customer experience when dropping off recyclables or waste at the Armadale Landfill and Recycling Facility.
- Improved stock management practices at the Drop'n'Shop to enhance customer experience and increase in sales.
- Gave discarded library books a second life through the Drop'n'Shop.
- Improved leachate management at the landfill to reduce the risk of environmental contamination, especially during the wet winter months.
- Expanded the landfill gas (methane) collection system to reduce the volume of gasses released into the atmosphere.
- Increased commercial activity at the landfill through contractual arrangements with strategic partners.

## Kerbside Collections

### Fast Facts

- 36,343 properties serviced
- 28,272 tonnes household rubbish collected
- 6,178 tonnes recyclables collected by SUEZ

## Events

### Fast Facts

- 618 event bins emptied
- Close to 9 tonnes of waste collected

## Verge Collections

### Fast Facts

- Hard Waste: total of 1,366 tonnes collected and 324 tonnes recovered
- Green waste: 4,243 tonnes collected over two collections each year
- Mattress (booked): 2,146 mattresses collected from residents averaging 54 tonnes

## Illegal Dumping

### Fast Facts

- 38 infringements issued
- 2,553 complaints received and investigated
- Ongoing monitoring of 14 sites frequently used for illegal dumping
- \$179,000 estimated cost of clean up

## School Battery Recycling Program

In 2020/21, we diverted 479.5kg of batteries from landfill and sent them for recycling (up 9.5% on the previous year). Over 77% of schools across our City participated in the program.



# *Aspiration 3* Economy





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**STRATEGIC COMMUNITY PLAN  
FOCUS AREAS**

3.1 Increased economic growth, job creation and retention, as well as educational opportunities

3.2 Positive image and identity for the City

3.3 Responsive and flexible support of business

3.4 Thriving tourism industry

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**93,928**

Population <sup>^</sup>3.4%

**5,030**

Local Businesses <sup>^</sup>2.5%

**\$2.98<sup>B</sup>**

Gross Regional Product

**21,419**

Local Jobs

**\$1.9<sup>M</sup>**

Total Visitor Spend

**\$18.2<sup>M</sup>**

Forrestdale Business Park (FBP) Approved  
Development Applications

# Enhance. Develop. Attract.

Related Objectives:

3.2.3 3.1.4 3.1.7 3.1.8 3.2.1 3.2.3

**Armadale of the future is home to a strong local economy with diverse employment opportunities. It's also a strategic hub for services (health, education and training) that is well connected to other centres in Perth through good transport links.**

## Advocacy for Major Local Projects

2020/21 marked a defining moment for Armadale with many transformational projects nearing completion. We secured multimillions in funding from both the State and Federal Governments, and these projects will benefit both the local community and residents in the wider southern metropolitan region.

## Armadale Train Station Redevelopment

The Australian Government announced a much-needed funding boost of \$110 million towards Metronet's Byford rail extension.

## Funded Local Projects

PROJECT DETAILS	FUNDING	PROJECT STATUS
Armadale Rd upgrade including bridge to North Lake Rd	\$382 million	Near completion (late 2021)
Denny Ave level crossing removal (Metronet)	\$69m million	Near completion (late 2021)
Courthouse & Police Complex	\$86 million	Near completion (mid 2022)
Rail extension to Byford including level crossing removal at Armadale Rd and Armadale Train Station elevated viaduct (Metronet)	Over \$600 million	Planning underway with construction starting in 2022
Western Power South Metropolitan Depot	\$23 million	Planning underway with construction starting in 2022
Armadale TAFE Campus	\$22.6 million	Planning underway with construction planned for late 2022

Our strong advocacy across all tiers of government meant that the project now includes the construction of an elevated viaduct in Armadale. This will help catalyse a significant increase in local job opportunities, plus a boost in residential population, student numbers and private sector investment.

Raising the railway line will significantly improve pedestrian, cyclist and vehicle connections along with productivity. This project also brings much needed safety, efficiency, economic and revitalisation benefits to Armadale. The Armadale Train Station redevelopment will also strengthen our City Centre's function as a Strategic Metropolitan Centre by providing strong transport links to other parts of Perth.

## Kelmscott's Denny Avenue Level Crossing

This challenging State Government project will:

- Remove the Denny Avenue level crossing and build a new underpass at Davis Road
- Remove and replace a 100 year old water main on Albany Highway which supplies the Perth CBD, and replace and increase capacity of a storm water drain to mitigate local flooding (in collaboration with Water Corporation)
- Replace Albany Highway's surface and update drainage in collaboration with Main Roads WA and
- Revitalise Kelmscott Town Centre with landscaping and public art in collaboration with the City of Armadale and Development WA.







## Courthouse and Police Complex

Construction progressed on the new \$86 million Armadale Courthouse and Police Complex, with the majority of the main building structure completed in 2020/21.

This new mega complex is roughly double the size of the existing Police Station and outdated Courthouse facilities on Jull Street. WA Police will occupy 5,680m<sup>2</sup> of the new 14,000m<sup>2</sup> complex, allowing room for an extra 150 officers along with general duties officers, detectives, district intelligence, forensic investigation and family violence units. There will also be five courtrooms including a shared custody facility.

This project has employed approximately 250 subcontractors and apprentices during construction and is due for completion mid-2022.

## New Armadale TAFE Campus

The brand new \$22.6 million Armadale TAFE will play an instrumental role in training our community's future workforce. The TAFE will focus on innovation, manufacturing, technology, automation, freight and logistics. Moreover, this state-of-the-art, five-story facility will create local jobs during and after construction, and leave a legacy of education and training for the community.

## Fast Facts

- Capacity for 500+ FTE students per day
- Generate 50+ direct ongoing jobs
- Create more indirect jobs through related services and industries

## Tackling Youth Unemployment Through Collaboration

In June 2021, the Department of Education, Skills and Employment announced the opening of a new Industry Training Hub in Armadale. Administered by the Chamber of Commerce and Industry WA, this specialised facility will improve opportunities for youth and help meet workforce demands for local businesses.

This Industry Training Hub will play an important role in connecting local Year 11 and 12 students with employment opportunities, plus help them develop skills for the in-demand jobs that our economy needs. The project will also create better linkages between schools and industry, vocational education, and training in the local area.

## Facilitating Better Local Health Care



The Health Care and Social Assistance industry is our region's largest employer with over 3,600 jobs within

hospitals, medical services, residential care, private practice, seniors and child care services.

As part of our Corporate Business Plan, we're committed to establishing good working relationships with the Armadale Health Service (AHS) and the WA Department of Health. Many initiatives have taken place, including the provision of a small pop-up COVID-19 vaccination clinic at the Champion Centre to deliver vaccines to vulnerable members of the community.

## Civic Precinct Redevelopment

We're conducting a feasibility study to redevelop the Civic Precinct. This includes investigating commercial opportunities and barriers (such as complex land ownership, leasing transactions and development models) to make this project a reality.

The current Civic Precinct concept aims to create a modern and vibrant hub which will become a focal point for local residents and visitors alike. The concept allows us to meet immediate accommodation needs and allows for growth in our administration workforce over the next 50 years.

The current concept allows us to balance the existing character of the area (public open space, civic, cultural and heritage elements) with commercial opportunities and a return on our investment.

# Supporting Local Small Businesses

Related Objectives:

3.2.1 3.3.1 3.3.2

## Small Business Friendly Approvals Program

We successfully applied for funding from the Small Business Development Corporation to make it easier and faster to do business in Armadale. The Small Business Friendly Approvals Program includes a suite of initiatives over the next three years, including:

- A workflow and customer journey mapping review
- Improved payment options for business customers
- Improved website functionality and
- Small business training.

## Curtin University Collaboration – Aspire

We continued to strengthen and grow our relationship with Curtin University through the youth career development program, Armadale Aspire 2021. This partnership introduces high school students to tertiary education and shows them available opportunities.

## Women in Small Business Series

This inaugural series included a partnership with Business Station, the Federal Government, and the ASBAS program to help women in small business. Participants took part in two workshops and a personal mentoring session to help them gain

clarity around their business 'why' and the values that motivate and guide them. This training helped local businesses to identify next steps, build networks and navigate the current economic environment in a positive way.

## Go Local at Christmas

Our economic development team encouraged residents to Go Local over Christmas by showcasing 12 local business offers in the 2020 Carol's by Candlelight songbook. Offers ranged from hospitality to retail and encouraged residents to support local business over the 2020 festive period.

## Business Armadale Chamber of Commerce

We sponsored the Business Armadale Chamber of Commerce's Meet the Minister Series. This series included talks and gave local businesses networking opportunities with State and Federal Members of Parliament.

We also continued our collaboration with the local business chamber through an annual sponsorship. This sponsorship supports the Chamber's efforts to help local businesses prosper.

# Come See Us!

Related Objectives:

3.2.2 3.4.1 3.4.2 3.4.3

## 16,309

Visitors through the Perth Hills Armadale Visitor Centre\* (v50%)

## 1,139

Phone inquiries

## 74,642

Website visitors

## \$1,384,275

Total visitor spend

\* Decrease due to COVID-19 restrictions and lockdowns. To increase visits, when it was safe to do so, we targeted local schools and community groups to come for a free morning tea and tour of the Bert Tyler Vintage Machinery Museum. Through this initiative we ran 15 tours for 424 people.





## Sponsorship

We developed a new event sponsorship policy in 2020/21 for cash, in-kind or combination sponsorship requests. Categories included external events (direct economy benefit), external events (indirect economic benefit), and community or local group events.

2020/21 sponsored events:

- City of Armadale Grand Fondo Ciclistica: 180 visitors (impacted by COVID-19 restrictions and heavy rain)
- Kelmscott Show: 17,000+ visitors
- It's Yates Springtime at Araluen: 70,755 visitors
- Perth Garden Festival: 41,000 visitors

## Perth Hills Tourism Alliance (PHTA)

A collaboration with Tourism WA and the PHTA created a series of 30 food and wine trails as part of the Taste 2020 Food and Wine Tourism Strategy.

PHTA worked to design and develop its website for the Experience Perth Hills brand. They also established a corporate membership structure with Destination Perth which includes a \$50,000 marketing campaign to promote the Perth Hills region.

## Free Visitor Centre Membership for Local Tourism Businesses

The Perth Hills Armadale Visitor Centre waived membership fees in 2020 to support local tourism businesses.

Through this program, we supported 52 businesses with free promotions, advertising, and training/upskilling opportunities through tourism partners such as Tourism Council, Destination Perth, and the PHTA.

Members could also join our regional tourism organisation, Destination Perth, for free. The complimentary membership ran through to the end of March 2021.

## Perth Hills Armadale Regional Guide



The Perth Hills Armadale Regional Guide is our region's premier visitor publication and promotes

events, experiences, attractions, accommodation, and local tourism businesses.

We distributed a total of 7,546 copies across Western Australia during 2020/21. The updated 2020 version had a print run of 20,000 and offered 29 local businesses free advertising as part of our COVID-19 relief efforts.

The 'Come See Us' campaign launched along with the new Regional Guide and included paid advertising, digital promotions, and collaborative promotions with local businesses.



Scan the QR to see the campaign videos.

## Spring into Armadale Festival

Our annual tourism festival saw 75,193 people attend local events and 19,263 digital visitors to the Perth Hills Armadale website during the three-month campaign period (September to November 2020). This was despite a reduced calendar of events due to COVID-19 limitations and cancellations.

We promoted 113 events and distributed 10,000 Spring into Armadale event programs locally and across Western Australia. The introduction of 'Anytime Experiences' showcased the rich offering of natural attractions, art and historic activities that people could experience in Armadale all year round.

Our Visitor Centre also hosted a six-week pop-up during 'It's Yates Springtime at Araluen' which serviced 7,773 visitors.



# *Aspiration 4* Leadership





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**STRATEGIC COMMUNITY PLAN  
FOCUS AREAS**

4.1 Strategic Leadership and effective management

4.2 A culture of innovation

4.3 Financial sustainability

4.4 Effective community engagement and  
communications

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**\$3.65<sup>M</sup>**

In the COVID-19 Response  
and Recovery Reserve

**\$1.87<sup>M</sup>**

COVID-19 Rates Concession

**16,311**

Ratepayers Received a Rates Freeze

**\$81.7<sup>M</sup>**

Of the City's Operating Revenue  
Allocated to Services

**\$5.2<sup>M</sup>**

Of the City's operating revenue was allocated  
to loan and lease repayments

**\$49.6<sup>M</sup>**

Of the City's operating revenue plus  
other funding sources were allocated to  
capital works and projects

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# Engage. Empower. Innovate.

Related Objectives:

4.1.2 4.3.1 4.3.2



## Our freedom and access to many of the things we took for granted turned upside down due to the COVID-19 global pandemic.

In a whole of government response, we played our part to support the vulnerable sections of the community by providing much needed food and community resources assistance, financial relief and preparing for the next phase.

We adopted a range of financial and policy responses to COVID-19 including:

- Allocated \$600,000 in March to fund the City's obligations in the Response and Recovery phases
- Established a \$3.65 million COVID-19 Response and Recovery Reserve, through savings identified in the 2019/20 Budget
- Established the 2020/21 Budget based on a rates freeze
- Adopted the Rates Assistance & Financial Hardship policy and A Smarter Way to Pay policy
- Granted a waiver on certain fees and charges
- Froze waste collection and disposal charge
- Waived other fees and charges,

estimated at around \$130,000, including Tourism Centre membership for businesses, Food Premises Inspection fees, Library charges and Sporting Club facility hire charges

- Brought forward and accelerated key building projects provisioned in the budget at around \$8 million and
- Secured \$980,000 in Federal Government stimulus grant funding.

We also worked closely with the State Recovery Coordinator to support our local economy, reconnect our community, and get more people back to work safely.

## 2020/21 Budget Overview

We developed the Budget for the Financial Year Ending June 2021 in response to the COVID-19 global pandemic. The Budget supported local residents and businesses by freezing rate revenue\*, and also provided economic stimulus by bringing key projects forward.

Our operating revenue (including rates) was budgeted at around \$102 million. Of this amount, we allocated \$81.7 million to services, \$5.2 million to loan and lease repayments, and \$15.1 million to capital works and projects.

We supplemented our operating revenue with other sources of funds and planned to deliver a capital works

program worth \$49.6 million. This included:

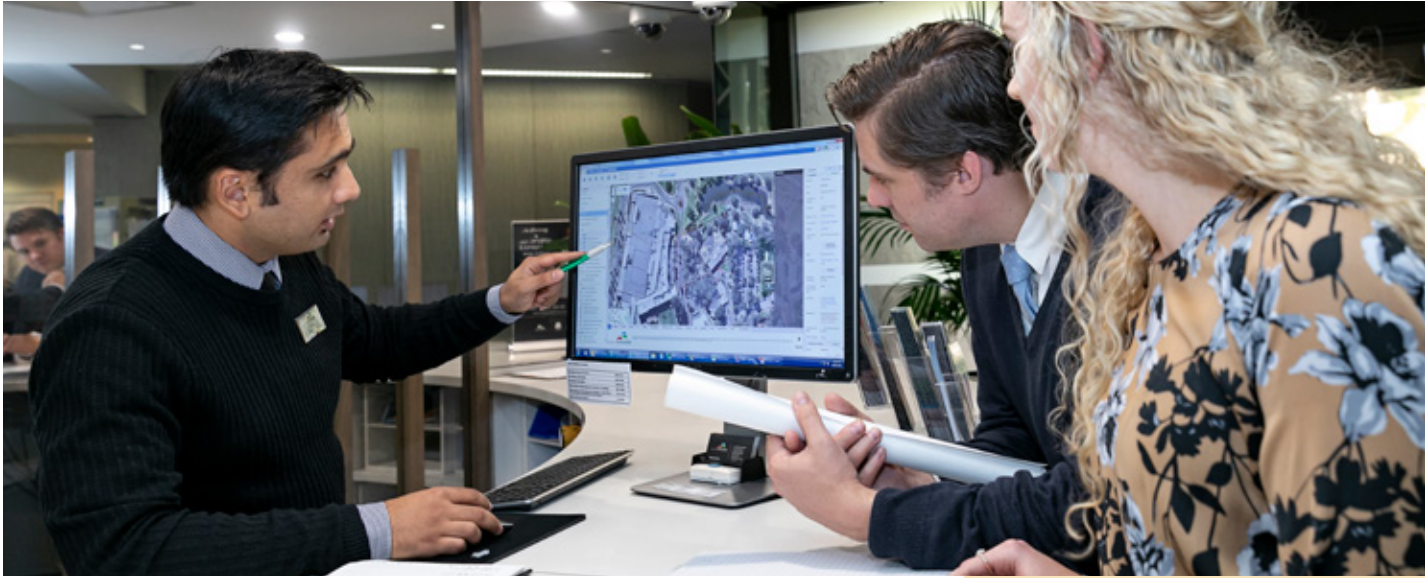
- \$1.68 million for a new fire station for the Bedforddale Volunteer Bush Fire Brigade
- \$4 million for the renewal of the Roleystone Theatre
- \$1.56 million to improve Forrestdale sporting facilities and
- \$2.34 million on the Creyk Park Pavilion redevelopment.

Most notably, this Budget introduced a freeze in rate revenue, and applied a \$1.87 million COVID-19 Rates Concession, to ensure that no ratepayer received a rates increase over the rates they paid last year\*.

As a result, 20,879 ratepayers received a decrease in rates, and a COVID-19 Rates Concession applied to 16,311 ratepayers (effectively freezing their rates). This was made possible through the savings made in the 2019/20 Budget and transfer of \$3.6 million to the COVID-19 Response and Recovery Reserve.

*\*If development occurred on a property, an increase in rates applied, reflective of the increased value added from the development*





## Auditing

The 2020/21 Internal Audit Plan included a review of our processes in relation to community consultation, management of contractors and volunteers, procurement in Property Services, record management, and workforce health and safety whilst working from home. In addition, the triennial review of our financial management systems and procedures as required by the Local Government (Financial Management) Regulations 1996 was completed and reported to the City Audit Committee.

Following a tender process, the Office of the Auditor General contracted a new auditor to complete the review of our 2020/21 financial year statements. KPMG have now replaced Macri Partners to undertake our annual financial audit.



# Connecting With Our Community

Related Objectives:

4.4.2



**937,891**

www.armadale.wa.gov.au  
website visits

**39,000**

Facebook followers across all  
City-run pages

**269,401**

People targeted through  
social media advertising

**\$1,014,006**

Total media value

**10,860**

Active subscribers to the  
City's fortnightly e-newsletter

**\$33,075**

Income from external print jobs

**1,812**

Total print requests (both  
internal and external)

**We're committed to providing our community with ongoing updates and information in a fun and timely manner. Each year, we produce hundreds of messages to keep our community up-to-date.**

Alongside COVID-19 messaging, we resumed our usual communications strategy of keeping our residents informed of services and events, along with sharing general updates and community stories.

## Digital Media

Social media engagement continued to grow and remains an integral tool for sharing information with our community. In 2020/21 we delivered key messages to 269,401 people through targeted social media advertising campaigns. Our Instagram page has over 1,820 followers. Collectively, there was a decrease in Facebook followers across all of our channels (from 42,000 to over 39,000) throughout the course of the financial year. This was primarily due to COVID-19 information fatigue.

Our website continues to be the most accessible source of information for the public. In 2020/21, the website saw 952,929 unique visitors, with an average number of 1.41 pages viewed per visit. New visitors to the site made up 85% of site traffic.

Community members can also subscribe to our 'In the Know' (ITK) e-newsletter which covers a range of topics including libraries, arts and events, sustainable living, recreation and community development. In 2020/21, we sent around 28 issues to over 10,860 subscribers. While this figure decreased from the previous year, improvements to our content increased the average open rate to 24% exceeding the 20.6% national average (source: Campaign Monitor).

## Print Media

Our quarterly 'City Views' publication features community focused content and is delivered to 35,791 households across the City (at a cost of \$56,297). 'Armadale Alive', an advert shared across three local and print news publications, was published each month highlighting local news and events. We also placed other regular advertising in local papers.

## Print Room

Our internal PRINTHUB is a professional printing service that offers a full range of printed products. In 2020/21, we had a total of 1,812 print requests, with 1439 of those being internal print jobs.

By printing business cards, waste truck vinyl wraps, pull up banners and A1 and A2 posters internally, we saved an estimated \$15,500. Further savings came from printing our own flyers and other printed products.





We also made \$33,075.15 in income from external print jobs in 2020/21, including 373 print requests from other local governments such as Canning, Town of Vic Park, Subiaco, Cambridge, Gosnells, Serpentine-Jarrahdale and Kalamunda.

#### Bushfire Season Messaging – Waste Truck Vinyl Wrap

NAME	QTY	SOURCE	COSTS
Waste Trucks	5	COA	\$6,497.00
		Outsourced	\$11,125.00
		<b>Saving</b>	<b>\$4,628.00</b>



#### Media Enquiries

Our communications team ensured that the community was kept up-to-date on everything happening across the City. To do this, we maintained a positive relationship with journalists and media outlets, which helped ensure that the right information reached the right people, in the right way.

In 2020/21, we responded to approximately 80 media enquiries and 454 stories featured us in the press, online and broadcast media. These stories reached 29,002,085 people and generated \$1,014,006 in media value, which was an increase of \$448,705 from the previous financial year.



# Statutory Reports

**Each year, we're required to provide the following statutory reports in compliance with legislative roles and responsibilities:**

## Record Keeping

We remain committed to the reliable and systematic management of the requirements in accordance with the *State Records Act 2000*. Our electronic record keeping program saw 360,135 corporate records registered in 2020/21.

Training is an important component of record keeping, and 113 staff completed the compulsory online records awareness training. In addition, 15 one-on-one record keeping training sessions and three customised training sessions (attended by 14 officers) were delivered.

## Freedom of Information

The *Freedom of Information Act 1992* gives members of the public the right to access documents held by local governments (subject to limitations).

We prepared an up-to-date Information Statement and made it available to the public (as required by section 96 of the *Freedom of Information Act 1992*). This statement detailed the process for applying for information under the Act, as well as information that we provide outside the Act.

A total of 36 Freedom of Information applications were processed during 2020/21.



Further information about the Freedom of Information process can be found via the QR Code.

## Public Disclosures

The *Public Interest Disclosure Act 2013* aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. During 2020/21 the City did not receive any disclosures.



Details about public interest disclosures are available online via the QR Code and in person at our Administration Centre.

## Local Government Act 1995 – Conduct of Certain Officials

Section 5.53 of the *Local Government Act 1995* 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 2021/2022 financial year there were no entries made in the Register of Complaints.

## Council Attendance

The table opposite refers to Council meeting attendance of elected members for 2020/21.

## Employee Salaries

The table below refers to the number of our employees entitled to an annual salary of \$130,000 or more (in bands of \$10,000).

**Salary Band 2020/21**

From \$	To \$	Number of staff
\$130,000	\$139,999	16
\$140,000	\$149,999	0
\$150,000	\$159,999	1
\$160,000	\$169,999	2
\$170,000	\$179,999	1
\$180,000	\$189,999	0
\$190,000	\$199,999	1
\$200,000	\$209,999	1
\$210,000	\$219,999	1
\$220,000	\$229,999	0
\$230,000	\$239,999	0
\$240,000	\$249,999	0
\$250,000	\$259,999	0
\$260,000	\$269,999	0
\$270,000	\$279,999	0
\$280,000	\$289,999	0
\$290,000	\$299,999	0
\$300,000	\$309,999	0
\$310,000	\$319,999	1

The CEO's total remuneration package\* for 2020/21 was \$375,000

\*Includes base salary, superannuation, any allowances or benefits (whether in money or not)



Elected Members (EMs) Attendance at Council and Committee Meetings - July 2020 to June 2021							
Elected Member	Ordinary Council Meeting	Special Council Meeting	Technical Services Committee	Community Services Committee	Development Services Committee	Corporate Services Committee	City Audit Committee
Cr R Butterfield, Mayor (DSC,TSC,CAC)	21	5	12	N/A - 3	11	N/A - 5	4
Cr C Frost, Deputy Mayor (CorSC,DSC, CAC)	18	5	N/A - 5	N/A - 5	10	9	4
Cr K Busby (CSC,CorSC)	16	4	N/A	10	N/A	8	N/A
Cr C A Campbell JP (CSC,CorSC)	19	4	N/A - 1	11	N/A - 2	10	N/A
Cr E J Flynn (TSC,CorSC)	19	3	10	N/A - 3	N/A - 1	9	N/A
Cr H Jones (CSC, CorSC)*	10	2	N/A	6*	N/A	5*	N/A
Cr J H Munn CMC (CorSC,DSC,CAC)	21	4	N/A	N/A - 1	11	8	4
Cr G Nixon (TSC,CSC,CorSC,CAC)	19	5	11	9	N/A - 3	9	2
Cr M S Northcott (TSC,DSC)	18	4	9	N/A	9	N/A	N/A
Cr S Peter JP (TSC,CSC)	21	4	12	10	N/A - 1	N/A - 3	N/A
Cr D M Shaw (DSC,CSC)	17	4	N/A - 2	7	11	N/A - 1	N/A
Cr M S Silver (TSC,CSC)	11	0	5	6	N/A	N/A	N/A
Cr G Smith (TSC,DSC,CAC)	20	5	12	N/A - 1	12	N/A - 4	4
Cr C M Wielinga (DSC)	15	2	N/A - 1	N/A - 1	8	N/A - 1	N/A

\* Cr H Jones - EM until March 2021

N/A - where an Elected Member was not a member of that committee. If a number is shown that means the Elected Member attended as an observer

There are (7) members on each Committee (except City Audit Committee which has 5) and memberships are indicated against each Elected Member's name

# Disability Access and Inclusion Plan 2021 – 2026

**This legislative Plan is monitored by the State Government via an annual Progress Report.**

We report on compliance and, in some cases, going above and beyond, implementing accessible activities for the following outcome areas:

1. Services and events
2. Buildings and facilities
3. Information
4. Quality of service
5. Complaints
6. Consultation processes
7. Employment and
8. Social inclusion.

Our latest Access and Inclusion Plan was endorsed by Council in June 2021.

The Plan is overseen by the Access and Inclusion Reference Group which includes representation from City departments, local sector organisations, community members living with disability, or carers of a person living with disability.

## Access and Inclusion Highlights

### Carols by Candlelight 2020

Following consultation with the DAIP reference group, we implemented further improvements to the Carols by Candlelight event to safely increase audience numbers (in a COVID-19 environment) and inclusion. The services offered throughout this event included a livestream of the stage program (with audio description and Auslan interpretation), an accessible

media space run by DADAA (with Bluetooth assistive listening), a dedicated accessibility space, and braille songbooks. Accessible parking and toilets were also provided.

### Armadale Arts Festival

The Armadale Arts Festival encouraged events to be held in accessible venues such as the Armadale District Hall. We also invited Sensorium Theatre to join the Festival programming to present 'Whoosh! Sensorium Theatre Space Adventure'. The majority of sessions were offered to schools, with a bus subsidy also offered to local schools that attended. This production attracted a total audience of 149 people.

### Accessible Facility Upgrades

We undertook several upgrades to existing facilities during 2020/21 to meet with compliance requirements. These included:

- Settlers Common: Two new Universal Accessible Toilets (UAT) installed with ramp access.
- John Dunn Reserve: New access ramp from top carpark to playing field, and new public toilets adjacent to ramp that included UAT with shower and ambulant toilet.
- Armadale Bowling Club: New UAT with shower within club rooms, new ambulant toilet, and new building front access with wider automatic doors and ramp access from carpark.

Other works still under construction include:

- Armadale Badminton Centre: New UAT with shower and ambulant toilet.
- Harold King Centre: Two new ambulant toilets.
- Westfield Scouts: Planned works include UAT with shower, two ambulant toilets and new access ramp to the building.

We also completed two new facilities:

- Novelli Pavilion: This shared playing field and sporting pavilion includes fully compliant door openings (wide enough for easy wheelchair access), two UATs complete with shower facilities, flush door thresholds for easy entry/exit, no ramps required to access the building, and all external paving is non-cobblestone.
- Bedforddale Volunteer Bush Fire Brigade Fire Station: This facility, whilst not a public access building, does include a UAT and shower facility, plus easy, smooth access from the car park to the facility.

### Armadale Access and Inclusion Sector Network

During 2020/21, we created the Armadale Access and Inclusion Sector Network for service providers and organisations, interested members of the public living with a disability or caring for a person living with a disability.





# AUDITORS REPORT





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 City of Armadale

To the Councillors of the City of Armadale

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the City of Armadale (City) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the City of Armadale:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 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 inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City'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 City.

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

### **Auditor's responsibility for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **Report on other legal and regulatory requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicates a significant adverse trend in the financial position of the City:
  - a) The operating surplus ratio and the asset sustainability ratio in Note 33 of the annual financial report have been below the Department of Local Government, Sport and Cultural Industries' standards for the last three financial years.
- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) Security controls over networks and key systems of the City were found to have some weaknesses in restricting unauthorised access. This could lead to inappropriate use of the City's system or information, however our audit testing did not identify any inappropriate use.
  - b) Controls over remote access of the City were found to have some weakness in preventing users from copying information from the City resources to personal devices. This could lead to inappropriate use of the City's system or information, however our audit testing did not identify any inappropriate use.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.



### **Other matter**

The financial ratios for 2019 in Note 33 of the financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

### **Other information**

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

### **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 2021 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. 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.



Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
15 March 2022

# FINANCIAL REPORT

**For the year ended 30 June 2021**



## Financial Report

For the year ended 30 June 2021

**City of Armadale  
Financial Report  
For the year ended 30 June 2021**

**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 2021 is based on proper accounts and records to present fairly the financial position of the City of Armadale at 30 June 2021 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 14<sup>th</sup> day of March 2022

  
\_\_\_\_\_  
Chief Executive Officer  
Joanne Abbiss

**Statement of Comprehensive Income - by Nature or Type**  
For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	22	69,574,771	69,358,300	69,802,832
Operating Grants, Subsidies and Contributions	2(i)	7,254,621	5,372,000	7,665,167
Fees and Charges	2(i)	29,429,365	25,165,900	25,617,519
Interest Earnings	2(ii)	1,516,339	1,785,600	2,356,289
Other Revenue	2(i)	1,544,189	298,000	174,344
		<b>109,319,285</b>	<b>101,979,800</b>	<b>105,616,151</b>
<b>Expenses</b>				
Employee Costs		(46,473,195)	(42,914,800)	(46,025,230)
Materials and Contracts		(28,697,360)	(37,847,300)	(31,188,271)
Utility Charges		(3,971,732)	(3,945,000)	(3,932,026)
Depreciation on Non-Current Assets	12(b)	(25,102,572)	(26,580,900)	(24,545,899)
Amortisation	12(b)	(263,435)	-	(273,628)
Interest Expenses	2(ii)	(1,272,843)	(1,312,800)	(1,493,636)
Insurance Expenses		(1,081,619)	(1,550,000)	(1,546,192)
Other Expenditure		(1,006,142)	(1,320,000)	(1,628,967)
		<b>(107,868,898)</b>	<b>(115,470,800)</b>	<b>(110,633,849)</b>
		<b>1,450,387</b>	<b>(13,491,000)</b>	<b>(5,017,698)</b>
Non-Operating Grants, Subsidies and Contributions	2(i)	5,712,251	12,282,100	9,619,607
Developer Contribution Plans - Cash	2(i)	3,940,445	6,393,000	5,317,757
Developer Contribution Plans - Gifted Assets		16,132,127	23,778,300	14,632,424
Developer Contribution Plans - Contributions Payments	2(ii)	(1,570,369)	(1,866,000)	(2,006,272)
Profit on Disposal of Assets	12(a)	66,688	170,700	10,759
(Loss) on Disposal of Assets	12(a)	(1,695,504)	(386,700)	(287,877)
		<b>22,585,638</b>	<b>40,371,400</b>	<b>27,286,398</b>
Fair Value Adjustments to Financial Assets at Fair Value Through Profit or Loss	7(b)	(72,887)	-	23,044
		<b>23,963,138</b>	<b>26,880,400</b>	<b>22,291,744</b>
<b>Net Result for the Period</b>				
<b>Other Comprehensive Income</b>				
Other Comprehensive Income		-	-	-
<b>Total Other Comprehensive Income for the Period</b>				
		-	-	-
<b>Total Comprehensive Income for the Period</b>				
		<b>23,963,138</b>	<b>26,880,400</b>	<b>22,291,744</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 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
General Purpose Funding		73,717,440	72,812,800	75,230,303
Governance		1,835,393	1,451,600	1,816,663
Law, Order and Public Safety		785,954	753,000	614,091
Health		134,684	110,000	159,696
Education and Welfare		197,632	116,700	234,611
Community Amenities		21,359,320	19,206,000	19,079,992
Recreation and Culture		7,143,691	5,654,200	5,426,423
Transport		2,649,128	1,073,300	2,007,400
Economic Services		1,411,552	727,200	972,576
Other Property and Services		84,491	75,000	74,396
		<b>109,319,285</b>	<b>101,979,800</b>	<b>105,616,151</b>
<b>Expenses</b>				
General Purpose Funding		(1,365,124)	(1,416,200)	(1,801,492)
Governance		(1,982,226)	(4,471,230)	(4,408,184)
Law, Order and Public Safety		(3,183,108)	(3,175,500)	(3,138,387)
Health		(1,917,615)	(1,995,860)	(1,935,610)
Education and Welfare		(4,295,903)	(4,267,450)	(4,237,786)
Community Amenities		(21,835,112)	(25,441,710)	(22,163,524)
Recreation and Culture		(33,643,943)	(34,548,940)	(32,127,959)
Transport		(34,639,315)	(34,622,300)	(35,429,209)
Economic Services		(3,341,037)	(3,717,610)	(3,582,956)
Other Property and Services		(392,672)	(501,200)	(315,108)
		<b>(106,596,055)</b>	<b>(114,158,000)</b>	<b>(109,140,215)</b>
<b>Finance Costs</b>				
Governance		(481,370)	(495,000)	(515,317)
Law, Order and Public Safety		(172)	-	-
Education and Welfare		(9,125)	(9,100)	(12,629)
Community Amenities		(2,101)	(1,900)	(4,797)
Recreation and Culture		(776,566)	(803,300)	(815,685)
Transport		(3,509)	(3,500)	(145,207)
	2(ii)	<b>(1,272,843)</b>	<b>(1,312,800)</b>	<b>(1,493,634)</b>
Non Operating Grants, Subsidies and Contributions	2(i)	5,712,251	12,282,100	9,619,608
Developer Contribution Plans - Cash	2(i)	3,940,445	6,393,000	5,317,757
Developer Contribution Plans - Gifted Assets		16,132,127	23,778,300	14,632,424
Developer Contribution Plans - Contributions Payments	2(ii)	(1,570,369)	(1,866,000)	(2,006,272)
Profit on Disposal of Assets	12(a)	66,688	170,700	10,759
(Loss) on Disposal of Assets	12(a)	(1,695,504)	(386,700)	(287,878)
Increase / (Decrease) in Investments	7(b)	(72,887)	-	23,044
		<b>23,963,138</b>	<b>26,880,400</b>	<b>22,291,744</b>
<b>Net Result for the Period</b>				
<b>Other Comprehensive Income</b>				
Other Comprehensive Income		-	-	-
<b>Total Other Comprehensive Income for the Period</b>				
		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Period</b>				
		<b>23,963,138</b>	<b>26,880,400</b>	<b>22,291,744</b>

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



**Statement of Financial Position**  
For the year ended 30 June 2021

	Note	2021 Actual \$	2020 Actual \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	2,792,506	45,138,753
Trade and Other Receivables	5(a)	8,899,648	6,787,576
Other Assets	5(b)	859,610	1,196,160
Financial Assets	7(a)	128,724,424	75,837,200
Inventories	6	578,382	599,621
<b>Total Current Assets</b>		<b>141,854,570</b>	<b>129,559,310</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	5(a)	840,735	777,190
Property, Plant and Equipment	9	251,752,753	247,479,794
Infrastructure	10	937,201,394	935,220,695
Landfill Cell	8(b)	817,840	774,016
Financial Assets	7(b)	219,165	292,052
Rehabilitation Asset	8(a)	2,332,301	2,463,113
Right of Use Assets	34(c)	3,219,565	4,661,696
<b>Total Non-Current Assets</b>		<b>1,196,383,753</b>	<b>1,191,668,556</b>
<b>Total Assets</b>	18	<b>1,338,238,323</b>	<b>1,321,227,866</b>
<b>Current Liabilities</b>			
Trade and Other Payables	14	26,878,804	25,645,920
Capital Grants Liabilities	14(a)	7,950,291	8,538,300
Borrowings	16	3,584,116	3,532,271
Employee Related Provisions	15	8,444,332	8,415,322
Lease Liabilities	34(a)	1,287,948	1,607,546
<b>Total Current Liabilities</b>		<b>48,145,491</b>	<b>47,739,359</b>
<b>Non-Current Liabilities</b>			
Capital Grants Liabilities	14(a)	15,009,119	12,651,689
Borrowings	16	33,279,502	36,109,194
Employee Related Provisions	15	617,618	832,776
Lease Liabilities	34(a)	1,931,617	3,054,149
Other Provisions	15 (a)	4,191,018	4,033,319
<b>Total Non-Current Liabilities</b>		<b>55,028,874</b>	<b>56,681,127</b>
<b>Total Liabilities</b>		<b>103,174,365</b>	<b>104,420,486</b>
<b>Net Assets</b>		<b>1,235,063,958</b>	<b>1,216,807,380</b>
<b>Equity</b>			
Retained Surplus		443,451,346	430,967,128
Reserves - Cash Backed	4	100,949,315	92,724,424
Revaluation Surplus	13	690,663,297	693,115,828
<b>Total Equity</b>		<b>1,235,063,958</b>	<b>1,216,807,380</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Retained Surplus \$	Reserves Cash or Investment Backed \$	Revaluation Surplus \$	Total Equity \$
<b>Balance as at 1 July 2019</b>		<b>413,038,987</b>	<b>87,629,990</b>	<b>693,846,659</b>	<b>1,194,515,636</b>
Comprehensive Income Net Result for the period		22,291,744	-	-	22,291,744
Transfer of Revaluation Surplus on Asset Disposals / Impairment		730,831	-	(730,831)	-
Total Comprehensive Income		23,022,575	-	(730,831)	22,291,744
Transfer from / (to) Reserves	4	(5,094,434)	5,094,434	-	-
<b>Balance as at 30 June 2020</b>		<b>430,967,128</b>	<b>92,724,424</b>	<b>693,115,828</b>	<b>1,216,807,380</b>
Adjustments - Disposal of Assets		(3,593,190)	-	(2,113,370)	(5,706,560)
Comprehensive Income Net Result for the period		23,963,138	-	-	23,963,138
Transfer of Revaluation Surplus on Asset Disposals / Impairment		339,161	-	(339,161)	-
Total Comprehensive Income		20,709,109	-	(2,452,531)	18,256,578
Transfer from / (to) Reserves	4	(8,224,891)	8,224,891	-	-
<b>Balance as at 30 June 2021</b>		<b>443,451,346</b>	<b>100,949,315</b>	<b>690,663,297</b>	<b>1,235,063,958</b>

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

## Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		71,537,140	69,358,300	70,637,306
Operating Grants, Subsidies and Contributions		7,450,479	5,372,000	3,820,940
Fees and Charges		30,429,365	23,090,300	26,617,521
Interest Received		1,516,339	1,785,600	2,356,288
Goods and Services Tax Received		5,386,537	5,250,000	5,027,836
Other Revenue		1,316,123	298,000	174,343
<b>Total Receipts</b>		<b>117,635,983</b>	<b>105,154,200</b>	<b>108,634,234</b>
<b>Payments</b>				
Employee Costs		(48,087,880)	(42,710,200)	(44,915,943)
Materials and Contracts		(26,291,847)	(36,509,404)	(34,235,836)
Utility Charges		(3,971,732)	(3,445,000)	(3,932,027)
Insurance Paid		(1,272,843)	(1,550,000)	(1,546,193)
Interest Expenses		(1,081,619)	(1,312,800)	(1,473,756)
Goods and Services Tax Paid		(5,307,939)	(5,750,000)	(4,292,919)
Other Expenditure		(973,115)	(1,320,000)	(1,628,967)
<b>Total Payments</b>		<b>(86,986,975)</b>	<b>(92,597,404)</b>	<b>(92,025,641)</b>
<b>Net Cash Provided by / (used in) Operating Activities</b>	17(b)	<b>30,649,008</b>	<b>12,556,796</b>	<b>16,608,593</b>
<b>Cash Flows from Investing Activities</b>				
Movement in Financial Assets		(52,887,224)	8,337,200	(24,837,200)
Payments for Property, Plant and Equipment		(9,163,596)	(22,997,700)	(5,790,848)
Payments for Construction of Infrastructure		(12,260,137)	(26,565,200)	(14,769,614)
Developer Contribution Plans - Contributions Payments	2(ii)	(1,570,369)	(1,866,000)	(2,006,272)
Non-Operating Grants and Subsidies		2,682,927	10,416,100	6,590,284
Developer Contribution Plans - Cash		3,940,445	8,259,000	5,317,757
Proceeds from Sale of Assets	12(a)	492,567	1,579,500	1,021,216
<b>Net Cash Provided by / (used in) Investing Activities</b>		<b>(68,765,387)</b>	<b>(22,837,100)</b>	<b>(34,474,677)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowings	16 (b)	(3,527,847)	(3,228,200)	(18,782,647)
Repayment for Principal Portion of Lease Liabilities	34(b)	(1,452,021)	(2,051,700)	(1,653,912)
Proceeds from New Borrowings	16	750,000	10,768,200	12,788,450
<b>Net Cash Provided by / (used in) Financing Activities</b>		<b>(4,229,868)</b>	<b>5,488,300</b>	<b>(7,648,109)</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>(42,346,247)</b>	<b>(4,792,004)</b>	<b>(25,514,193)</b>
Cash and Cash Equivalents at Beginning of Year		45,138,753	48,077,224	70,652,946
<b>Cash and Cash Equivalents at End of Year</b>	17(a)	<b>2,792,506</b>	<b>43,285,220</b>	<b>45,138,753</b>

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



## Rate Setting Statement

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Net Current Assets at Start of Financial Year - Surplus / (Deficit)</b>		9,714,694	7,517,500	14,024,753
<b>Revenue from Operating Activities (excluding Rates)</b>				
General Purpose Funding		5,198,369	3,454,500	5,457,675
Governance		1,762,506	1,451,600	1,839,749
Law, Order and Public Safety		785,954	755,900	621,731
Health		134,684	110,000	162,773
Education and Welfare		197,632	116,700	234,611
Community Amenities		21,359,320	19,335,700	19,079,992
Recreation and Culture		7,143,691	6,160,300	5,897,281
Transport		2,715,816	1,092,400	2,007,400
Economic Services		1,411,552	727,200	972,576
Other Property and Services		84,491	75,000	74,396
		<b>40,794,015</b>	<b>33,279,300</b>	<b>36,348,184</b>
<b>Expenditure from Operating Activities</b>				
General Purpose Funding		(1,365,124)	(1,416,200)	(1,801,492)
Governance		(2,463,596)	(4,969,000)	(4,923,501)
Law, Order and Public Safety		(3,212,114)	(3,185,900)	(3,138,387)
Health		(1,917,615)	(1,995,900)	(1,935,610)
Education and Welfare		(4,305,028)	(4,276,600)	(4,250,465)
Community Amenities		(21,862,671)	(25,698,300)	(22,202,494)
Recreation and Culture		(38,927,604)	(35,373,100)	(32,948,423)
Transport		(37,483,501)	(34,700,200)	(35,670,070)
Economic Services		(3,341,037)	(3,721,100)	(3,582,956)
Other Property and Services		(392,673)	(521,200)	(468,329)
		<b>(115,270,963)</b>	<b>(115,857,500)</b>	<b>(110,921,727)</b>
Non cash amounts excluded from operating activities	27	<b>33,755,541</b>	<b>26,796,900</b>	<b>20,312,410</b>
<b>Amount Attributable to Operating Activities</b>		<b>(31,006,713)</b>	<b>(48,263,800)</b>	<b>(40,236,380)</b>
<b>Investing Activities</b>				
Non-Operating Grants, Subsidies and Contributions	2(i)	5,712,251	12,282,100	9,619,608
Developer Contribution Plans - Cash	2(i)	3,940,445	6,393,000	5,317,757
Developer Contribution Plans - Gifted Assets	9 & 10	16,227,575	23,778,300	14,632,424
Proceeds from Disposal of Assets	12(a)	492,567	1,579,500	1,021,216
Purchase of Property, Plant and Equipment	9	(9,163,596)	(22,997,700)	(5,790,849)
Purchase and Construction of Infrastructure	10	(12,260,137)	(26,565,200)	(14,769,613)
Developer Contribution Plans - Contributions Payments		(1,570,369)	(1,866,000)	(2,006,272)
Infrastructure Assets Contributed by Developers (Gifted Assets)	9 & 10	(16,227,575)	(23,778,300)	(14,632,424)
<b>Amount Attributable to Investing Activities</b>		<b>(12,848,839)</b>	<b>(31,174,300)</b>	<b>(6,608,153)</b>
<b>Financing Activities</b>				
Repayment of Borrowings	16	(3,527,848)	(3,528,200)	(18,782,647)
Repayment for Principal Portion of Lease Liabilities	34(b)	(1,452,021)	(1,751,700)	(1,653,912)
Proceeds from New Borrowings	16	750,000	10,768,200	12,788,450
Transfers to Reserves	4	(20,167,031)	(15,457,800)	(20,546,285)
Transfers from Reserves	4	11,942,140	20,536,400	15,451,851
<b>Amount Attributable to Financing Activities</b>		<b>(12,454,760)</b>	<b>10,566,900</b>	<b>(12,742,543)</b>
<b>Surplus / (Deficiency) before Imposition of General Rates</b>		(56,310,312)	(68,871,200)	(59,587,076)
<b>Total Amount Raised from General Rates</b>	22	69,085,295	68,871,200	69,301,770
<b>Surplus / (Deficiency) after Imposition of General Rates</b>	27	<b>12,774,983</b>	<b>-</b>	<b>9,714,694</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 2021

#### 1. 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 Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government Act 1995 and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

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 financial 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.

##### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

##### INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

##### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

##### 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.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**2. REVENUE AND EXPENSES**

**i) Revenue**

**Other Revenue**

Reimbursements and Recoveries  
Other

**Fees and Charges\***

General Purpose Funding  
Governance  
Law, Order and Public Safety  
Health  
Education and Welfare  
Community Amenities  
Recreation and Culture  
Transport  
Economic Services  
Other Property and Services

\* - There were no changes during the year to the amount of the fees or charges detailed in the original budget.

**Grant Revenue**

Grants, subsidies and contributions are included as operating and non-operating revenues in the Statement of Comprehensive Income:

**By Nature or Type**

Operating Grants, Subsidies and Contributions  
Non-Operating Grants, Subsidies and Contributions  
Developer Contribution Plans - Cash

**By Program**

General Purpose Funding  
Governance  
Law, Order and Public Safety  
Health  
Education and Welfare  
Community Amenities  
Recreation and Culture  
Transport  
Economic Services  
Other Property and Services

**Interest Earnings**

Investments - Reserve Funds  
Investments - Municipal Fund  
Other Interest Revenue

Note

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Other Revenue</b>			
Reimbursements and Recoveries	650	10,000	8,407
Other	1,543,539	288,000	165,937
	<b>1,544,189</b>	<b>298,000</b>	<b>174,344</b>
<b>Fees and Charges*</b>			
General Purpose Funding	354,451	160,000	396,722
Governance	1,737,906	1,426,600	1,780,914
Law, Order and Public Safety	495,488	489,000	393,111
Health	130,296	109,500	159,414
Education and Welfare	6,494	5,400	435
Community Amenities	17,989,638	16,432,300	16,310,865
Recreation and Culture	6,339,338	5,478,600	5,207,049
Transport	941,018	317,300	387,463
Economic Services	1,364,686	679,200	912,883
Other Property and Services	70,050	68,000	68,663
	<b>29,429,365</b>	<b>25,165,900</b>	<b>25,617,519</b>
<b>Grant Revenue</b>			
By Nature or Type			
Operating Grants, Subsidies and Contributions	7,254,621	5,372,000	7,665,167
Non-Operating Grants, Subsidies and Contributions	5,712,251	12,282,100	9,619,607
Developer Contribution Plans - Cash	3,940,445	6,393,000	5,317,757
	<b>16,907,317</b>	<b>24,047,100</b>	<b>22,602,532</b>
By Program			
General Purpose Funding	2,761,356	2,144,546	2,674,462
Governance	615	134,844	554,730
Law, Order and Public Safety	290,466	316,521	220,979
Health	4,388	567	282
Education and Welfare	166,138	166,957	234,177
Community Amenities	2,139,941	3,155,545	2,769,127
Recreation and Culture	5,272,340	7,896,146	7,831,140
Transport	6,210,766	8,295,424	8,252,212
Economic Services	46,865	62,187	59,693
Other Property and Services	14,442	8,363	5,733
	<b>16,907,317</b>	<b>22,181,100</b>	<b>22,602,535</b>
<b>Interest Earnings</b>			
Investments - Reserve Funds	663,893	808,600	1,022,967
Investments - Municipal Fund	331,412	650,000	831,975
Other Interest Revenue	521,034	327,000	501,346
	<b>1,516,339</b>	<b>1,785,600</b>	<b>2,356,288</b>

22(e)

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, donations and other contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.  
Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines,

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).  
Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

**ii) Expenses**

**Auditor's Remuneration**

Audit of the Annual Financial Report  
Acquittals

**Bad and Doubtful Debts**

Write Off - Rates  
Write (Backs)/ Offs - General  
Write Off - Infringements

**Interest Expense**

Borrowing  
Interest expense on lease liabilities

**Developer Contribution Plans - Contributions Payments**

Roads  
Land Under Roads

16 (b)

	136,202	125,000	43,500
	4,200	5,500	1,500
	<b>140,402</b>	<b>130,500</b>	<b>45,000</b>
	1,249	20,000	5,443
	(70,804)	5,000	56,703
	13,843	33,500	15,236
	<b>(55,712)</b>	<b>58,500</b>	<b>77,382</b>
	1,159,181	1,159,100	1,313,465
	113,662	153,700	180,169
	<b>1,272,843</b>	<b>1,312,800</b>	<b>1,493,634</b>
	632,000	1,666,000	2,006,272
	938,369	200,000	-
	<b>1,570,369</b>	<b>1,866,000</b>	<b>2,006,272</b>

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**3. CASH AND CASH EQUIVALENTS**

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash at Bank		2,778,946	6,126,720	7,356,343
Cash on Hand		13,560	10,000	12,410
Term Deposits		-	37,148,500	37,770,000
		<b>2,792,506</b>	<b>43,285,220</b>	<b>45,138,753</b>
<b>Comprises</b>				
Unrestricted Cash and Cash Equivalents		655,230	9,415,320	4,574,795
Restricted Cash and Cash Equivalents		-	33,869,900	38,387,224
Unspent Grants/Contributions	32	1,430,030	-	1,115,865
Unspent Loans	16(d)	707,246	-	1,060,869
		<b>2,792,506</b>	<b>43,285,220</b>	<b>45,138,753</b>

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

<b>Reserves</b>				
Anstey Keane - DCP		4,382,206	2,840,000	672,980
Asset Renewal		7,837,060	7,837,400	6,172,680
Champion Lakes SAR Asset Renewal		167,270	174,900	166,180
City Centre Activation		208,054	335,400	335,439
Civic Precinct		1,799,820	4,254,700	1,935,300
Computer Systems Technologies		751,082	275,600	275,272
Community Art		47,610	47,800	47,300
COVID-19 Response and Recovery		1,712,741	1,603,600	3,584,900
Crossover Contributions		61,690	61,900	61,290
Emergency Waste		228,522	229,300	227,032
Employee Provisions		8,913,667	10,498,300	8,855,447
Events Reserve Funds		123,929	-	-
Freehold Sales Capital Works		185,791	548,100	405,523
Future Community Facilities		1,874,810	906,900	897,910
Future Project Funding		15,611,819	14,002,600	15,866,814
Future Recreation Facilities		972,350	975,200	816,980
History of the District		37,490	38,400	37,250
Infrastructure Project Contributions		3,046,691	2,139,800	3,029,324
Land Acquisition		474,856	476,500	471,756
Mobile Bin Program		2,020,038	2,026,900	2,006,848
North Forrestdale DCP 3		18,716,512	15,810,300	20,517,008
North Forrestdale SAR Asset Renewal		3,691,980	3,291,900	3,667,870
Perth Hills Tourism Alliance		46,258	800	71,503
Plant and Machinery		4,809,992	2,155,300	3,586,601
Portable Long Service Leave		348,042	379,400	345,772
Revolving Energy		299,550	142,400	235,314
Reserves Cash Backed - SAR -B		20,538	-	-
Reserves Cash Backed - SAR -C		630	-	-
Reserves Cash Backed - SAR -D		1,575	-	-
Strategic Asset Investments		712,180	1,009,900	707,530
Waste Management		20,032,999	15,122,300	16,221,029
Workers Compensation		588,699	358,000	354,478
Wungong River Project		569,500	576,700	502,000
Works Contributions		653,364	655,600	649,094
<b>Total Reserves and Restricted Cash and Cash Equivalents and Investments</b>	<b>4</b>	<b>100,949,315</b>	<b>88,775,900</b>	<b>92,724,424</b>
<b>Comprises</b>				
Cash and Cash Equivalents		-	33,869,900	38,387,224
Financial Assets	7	100,949,315	47,500,000	54,337,200
		<b>100,949,315</b>	<b>81,369,900</b>	<b>92,724,424</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 of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

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

## For the year ended 30 June 2021

### 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.

	2021 Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
1 Reserves Cash Backed - Anstey Keane - DCP	672,980	3,857,150	(147,924)	4,382,206	673,000	2,657,400	(490,400)	2,840,000	-	841,985	(168,005)	672,980
2 Reserves Cash Backed - Asset Renewal	6,172,680	1,664,380	-	7,837,060	6,152,100	1,685,300	-	7,837,400	4,739,300	1,545,480	(112,100)	6,172,680
3 Reserves Cash Backed - Asset Renewal - Buildings	-	-	-	-	-	-	-	-	-	-	-	-
4 Reserves Cash Backed - Asset Renewal - Parks	-	-	-	-	-	-	-	-	-	-	-	-
5 Reserves Cash Backed - Building Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
6 Reserves Cash Backed - Champion Lakes SAR Asset Renewal	166,180	1,090	-	167,270	173,200	1,700	-	174,900	162,960	-	-	166,180
7 Reserves Cash Backed - City Centre Activation	335,439	2,210	(129,595)	208,054	335,400	-	-	335,400	-	335,439	-	335,439
8 Reserves Cash Backed - Civic Precinct	1,935,300	12,720	(148,200)	1,799,820	1,935,300	2,519,400	(200,000)	4,254,700	1,000,000	935,300	-	1,935,300
9 Reserves Cash Backed - Community Art	47,300	310	-	47,610	47,300	500	-	47,800	-	47,300	-	47,300
10 Reserves Cash Backed - Computer Systems Technologies	275,272	475,810	-	751,082	275,300	300	-	275,600	275,272	-	-	275,272
11 Reserves Cash Backed - Crossover Contributions	61,290	400	-	61,690	61,300	600	-	61,900	61,290	-	-	61,290
12 Reserves Cash Backed - Covid-19 Response and Recovery	3,584,900	23,570	(1,895,729)	1,712,741	3,584,900	-	(1,981,300)	1,603,600	-	3,584,900	-	3,584,900
13 Reserves Cash Backed - Emergency Waste	227,032	1,490	-	228,522	227,000	2,300	-	229,300	227,032	-	(1,200,000)	227,032
14 Reserves Cash Backed - Employee Provisions	8,855,447	58,220	-	8,913,667	10,405,400	92,900	-	10,498,300	10,055,447	-	-	8,855,447
15 Reserves Cash Backed - Events Reserve Fund	-	349,929	(226,000)	123,929	-	-	-	-	-	-	-	-
16 Reserves Cash Backed - Freehold Sales Capital Works	405,523	2,670	(222,402)	185,791	373,400	174,700	-	548,100	349,423	56,100	-	405,523
17 Reserves Cash Backed - Future Community Facilities	897,910	976,900	-	1,874,810	897,900	9,000	-	906,900	897,910	-	-	897,910
18 Reserves Cash Backed - Future Project Funding	15,866,814	104,320	(359,315)	15,611,819	15,192,900	209,700	(1,400,000)	14,002,600	19,398,094	1,021,520	(4,552,800)	15,866,814
19 Reserves Cash Backed - Future Recreation Facilities	816,980	155,370	-	972,350	817,000	158,200	-	975,200	674,480	142,500	-	816,980
20 Reserves Cash Backed - History of the District	37,250	240	-	37,490	38,000	400	-	38,400	37,250	-	-	37,250
21 Reserves Cash Backed - Infrastructure Project Contribution	3,029,324	19,920	(2,553)	3,046,691	3,356,200	-	(1,216,400)	2,139,800	-	3,029,324	-	3,029,324
22 Reserves Cash Backed - Land Acquisition	471,756	3,100	-	474,856	471,800	4,700	-	476,500	471,756	-	-	471,756
23 Reserves Cash Backed - Mobile Bin Program	2,006,848	13,190	-	2,020,038	2,006,800	20,100	-	2,026,900	2,006,848	-	-	2,006,848
24 Reserves Cash Backed - North Forrestdale DCP 3	20,517,008	3,699,399	(5,699,895)	18,716,512	21,211,300	2,648,100	(8,049,100)	15,810,300	25,126,253	2,962,116	(7,571,361)	20,517,008
25 Reserves Cash Backed - North Forrestdale SAR Asset Renewal	3,667,870	24,110	-	3,691,980	3,664,800	36,600	(405,500)	3,291,900	3,596,780	71,090	-	3,667,870
26 Reserves Cash Backed - Perth Hills Tourism Alliance	71,503	30,470	(55,715)	46,258	82,200	40,800	(122,200)	800	-	71,503	-	71,503
27 Reserves Cash Backed - Plant and Machinery	3,586,601	2,023,560	(800,189)	4,809,972	3,586,200	2,035,900	(3,466,800)	2,155,300	2,551,223	2,000,000	(964,622)	3,586,601
28 Reserves Cash Backed - Portable Long Service Leave	345,772	2,270	-	348,042	360,800	18,600	-	379,400	345,772	-	-	345,772
29 Reserves Cash Backed - Revolving Energy	235,314	64,236	-	299,550	235,300	2,400	(95,300)	142,400	235,314	-	-	235,314
30 Reserves Cash Backed - SAR - B	-	20,538	-	20,538	-	-	-	-	-	-	-	-
31 Reserves Cash Backed - SAR - C	-	630	-	630	-	-	-	-	-	-	-	-
32 Reserves Cash Backed - SAR - D	-	1,575	-	1,575	-	-	-	-	-	-	-	-
33 Reserves Cash Backed - Strategic Asset Investments	707,530	4,650	-	712,180	604,600	405,300	-	1,009,900	576,630	130,900	-	707,530
34 Reserves Cash Backed - Waste Management	16,221,029	5,957,593	(2,145,623)	20,032,999	15,510,500	2,717,200	(3,105,400)	15,122,300	13,327,384	3,767,608	(873,963)	16,221,029
35 Reserves Cash Backed - Workers Compensation	354,478	343,221	(109,000)	588,699	354,500	3,500	-	358,000	354,478	-	-	354,478
36 Reserves Cash Backed - Wungong River Project	502,000	67,500	-	569,500	571,000	5,700	-	576,700	510,000	-	(8,000)	502,000
37 Reserves Cash Backed - Works Contributions	649,094	4,270	-	653,364	649,100	6,500	-	655,600	649,094	-	-	649,094
	<b>92,724,424</b>	<b>20,167,031</b>	<b>(11,942,140)</b>	<b>100,949,315</b>	<b>93,854,500</b>	<b>15,457,800</b>	<b>(20,536,400)</b>	<b>88,775,900</b>	<b>87,629,990</b>	<b>20,546,285</b>	<b>(15,451,851)</b>	<b>92,724,424</b>

All reserves are supported by cash and cash equivalents and financial assets and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:



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

## For the year ended 30 June 2021

### 4. RESERVES - CASH BACKED (Continued)

Name of Reserve	Anticipated date of use	Purpose of the reserve
1 Reserves Cash Backed - Anstey Keane - DCP	Ongoing	Fund common infrastructure works as identified in the Development Contribution Plan
2 Reserves Cash Backed - Asset Renewal	Ongoing	Assist in funding capital works, thereby extending the useful economic life of such assets.
3 Reserves Cash Backed - Asset Renewal - Buildings	Ongoing	Assist in funding capital works on buildings, thereby extending the useful economic life of such assets. This reserve have been consolidated with the Asset Renewal Reserve from 1 July 2018.
4 Reserves Cash Backed - Asset Renewal - Parks	Ongoing	Assist in funding capital works on parks, thereby extending the useful economic life of such assets. This reserve have been consolidated with the Asset Renewal Reserve from 1 July 2018.
5 Reserves Cash Backed - Building Plant and Equipment	Ongoing	To be used to assist in the maintenance and replacement of Plant and Equipment associated with City's buildings. This reserve have been consolidated with the Asset Renewal Reserve from 1 July 2018.
6 Reserves Cash Backed - Champion Lakes SAR Asset Renewal	Ongoing	To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.
7 Reserves Cash Backed - City Centre Activation	Ongoing	To be used to assist in City Centre Activation projects.
8 Reserves Cash Backed - Civic Precinct	Ongoing	To be used to assist in research, planning and redevelopment of the City's Civic Precinct.
9 Reserves Cash Backed - Community Art	Ongoing	To be used to assist in providing for timing differences in Community Art contributions and project development.
10 Reserves Cash Backed - Computer Systems Technologies	Ongoing	To be used to assist in funding the long-term renewal of City's core computer systems.
11 Reserves Cash Backed - Crossover Contributions	Ongoing	To be used to assist in the construction of Crossovers as a condition of approved building licences.
12 Reserves Cash Backed - Covid-19 Response and Recovery	Ongoing	To be used to assist in responding to COVID-19 Pandemic Emergency and Recovery actions and initiatives
13 Reserves Cash Backed - Emergency Waste	Ongoing	To be used to assist with the costs associated with storm damage clean-up, collections and disposal.
14 Reserves Cash Backed - Employee Provisions	Ongoing	To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.
16 Reserves Cash Backed - Freehold Sales Capital Works	Ongoing	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.
17 Reserves Cash Backed - Future Community Facilities	Ongoing	To be used to assist in the research, planning and construction of future Community Facilities.
18 Reserves Cash Backed - Future Project Funding	Ongoing	To be used to fund future capital works projects considered in excess of the City's normal funding capacity.
19 Reserves Cash Backed - Future Recreation Facilities	Ongoing	To be used to assist in the research, planning and construction of future recreation facilities.
20 Reserves Cash Backed - History of the District	Ongoing	To be used to assist in the future rewrite and publication of the History of the District.
21 Reserves Cash Backed - Infrastructure Project Contribution	Ongoing	To be used to assist in completion of Infrastructure projects funded externally
22 Reserves Cash Backed - Land Acquisition	Ongoing	To be used to assist in future acquisitions of land for investment or works requirement.
23 Reserves Cash Backed - Mobile Bin Program	Ongoing	To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.
24 Reserves Cash Backed - North Forrestdale DCP 3	Ongoing	To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.
25 Reserves Cash Backed - North Forrestdale SAR Asset Renewal	Ongoing	To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.
26 Reserves Cash Backed - Perth Hills Tourism Alliance	Ongoing	To be used to assist in providing for timing differences in Alliance activities.
27 Reserves Cash Backed - Plant and Machinery	Ongoing	To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.
28 Reserves Cash Backed - Portable Long Service Leave	Ongoing	To be used to assist in financing the City's Portable Long Service Leave liability.
29 Reserves Cash Backed - Revolving Energy	Ongoing	To be used to assist in establishing energy efficient management techniques and practices.
30 Reserves Cash Backed - SAR -B	Ongoing	To be used to enhance the general amenity of the area by way of increased service levels in ways like litter control, verge and streetscape maintenance, verge mowing etc.
31 Reserves Cash Backed - SAR -C	Ongoing	To be used to enhance the general amenity of the area by way of increased service levels in ways like litter control, verge and streetscape maintenance, verge mowing etc.
32 Reserves Cash Backed - SAR -D	Ongoing	To be used to enhance the general amenity of the area by way of increased service levels in ways like litter control, verge and streetscape maintenance, verge mowing etc.
33 Reserves Cash Backed - Strategic Asset Investments	Ongoing	To be used to fund the acquisition of strategic asset investments from the proceeds (70% of net sale proceeds) of selling Freehold land.
34 Reserves Cash Backed - Waste Management	Ongoing	To be used to assist in the management and future provisioning of the City's Waste Management Sites.
35 Reserves Cash Backed - Workers Compensation	Ongoing	To be used to assist in covering any workers' compensation liability claims in excess of the City's normal funding capacity.
36 Reserves Cash Backed - Wungong River Project	Ongoing	To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.
37 Reserves Cash Backed - Works Contributions	Ongoing	To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**5(a). TRADE AND OTHER RECEIVABLES**

**Current**

Accrued Revenue
Rates Receivable
ESL Receivables
Sundry Receivables
Less : Allowance for Impairment of Receivables

**Non-Current**

Rates Deferred
ESL Deferred

2021 Actual \$	2020 Actual \$
1,385,602	1,244,909
4,482,770	3,339,847
300,465	230,209
3,032,735	2,358,756
(301,924)	(386,145)
<b>8,899,648</b>	<b>6,787,576</b>
761,007	702,921
79,728	74,269
<b>840,735</b>	<b>777,190</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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

**Previous accounting policy: Impairment of trade receivables**

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

**5(b). OTHER ASSETS**

**Current**

Prepayments
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2021 Actual \$	2020 Actual \$
859,610	1,196,160
<b>859,610</b>	<b>1,196,160</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other Current Assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**6. INVENTORIES**

**a) Land Under Development and Developed Land**

**Current**

Land - At the Beginning of the year
Land - Disposed
Land - At the End of the year

**b) Inventories**

**Current**

Fuel and Materials
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2021 Actual \$	2020 Actual \$
460,001	619,091
-	(159,090)
<b>460,001</b>	<b>460,001</b>
118,381	139,620
<b>118,381</b>	<b>139,620</b>
<b>578,382</b>	<b>599,621</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 Under Development and Developed Land**

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Land Under Development and Developed Land (Continued)**

Land held for resale 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 2021

**7. FINANCIAL ASSETS**

**7(a) Current**

**Financial assets at amortised cost**

Term deposits - Restricted Funds	3	100,949,315	54,337,200
Term deposits - Unrestricted Funds		27,775,109	21,500,000
		<b>128,724,424</b>	<b>75,837,200</b>

**7(b) Non-Current**

**Financial assets at fair value through profit or loss**

At the Beginning of the Year		292,052	269,008
Increment / (Decrement) During the Year		(72,887)	23,044
At the End of the Year		<b>219,165</b>	<b>292,052</b>

**Financial assets at fair value through profit and loss**

Interest in Local Government House Trust [Note 7(b)(i)]		147,614	142,442
Interest in Rivers Regional Council [Note 7(b)(ii)]		71,551	149,610
		<b>219,165</b>	<b>292,052</b>

**7(b)(i) Interest in Local Government House Trust**

**Financial assets at fair value through profit or loss**

At the Beginning of the Year		142,442	140,137
Increment / (Decrement) During the Year		5,172	2,305
At the End of the Year		<b>147,614</b>	<b>142,442</b>

The accounting share applicable to the City as at 30 June 2021 is calculated based on 8 units @\$18,451.71.

**The City's interest in the Assets and Liabilities of Local Government House Trust is as follows:**

Current Assets	43,287	30,248
Non Current Assets	305,384	319,365
	<b>348,671</b>	<b>349,613</b>

Current Liabilities	201,057	207,171
Non Current Liabilities	-	-
	<b>201,057</b>	<b>207,171</b>

**Net Assets**

	<b>147,614</b>	<b>142,442</b>
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**7(b)(ii) Interest in Rivers Regional Council**

**Financial assets at fair value through profit or loss**

At the Beginning of the Year		149,610	128,871
Increment / (Decrement) During the Year		(78,059)	20,739
At the End of the Year		<b>71,551</b>	<b>149,610</b>

The accounting share applicable to the City as at 30 June 2020 is calculated at 22.38% as disclosed in the financial statements of Rivers Regional Council as at 30 June 2021.

**The City's interest in the Assets and Liabilities of Rivers Regional Council is as follows:**

Current Assets	83,642	170,108
Non Current Assets	-	-
	<b>83,642</b>	<b>170,108</b>

Current Liabilities	11,100	19,958
Non Current Liabilities	991	539
	<b>12,091</b>	<b>20,497</b>

**Net Assets**

	<b>71,551</b>	<b>149,610</b>
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**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**Financial assets at fair value through profit and loss**

The City classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found Note 28.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Previous accounting policy: available for sale financial assets**

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**Previous accounting policy: Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 28 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

**8(a). REHABILITATION ASSET**

**Non-Current**

Landfill Site Rehabilitation	2,463,113	2,558,420
Add/(Less) : Revision to Estimates	132,623	178,321
Less : Amortisation	(263,435)	(273,628)
	<b>2,332,301</b>	<b>2,463,113</b>

**8(b). LANDFILL CELL ASSET**

**Non-Current**

Landfill Cell - Independent Valuation 2018	774,016	834,807
Additions After Valuation - Cost	132,618	31,976
Additions Transfer from WIP - Cost	5,191	-
Less : Depreciation	(93,985)	(92,766)
	<b>817,840</b>	<b>774,016</b>



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**9. PROPERTY, PLANT and EQUIPMENT**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land- Freehold Land \$	Land Vested in & Under the Control of Council \$	Total Land \$	Building \$	Furniture and Equipment \$	Plant and Machinery \$	Work in Progress \$	Total Property Plant and Equipment \$
<b>Balance at 1 July 2019</b>	102,100,001	1,769,100	103,869,101	125,926,749	1,259,904	10,813,659	6,575,451	248,444,864
Additions	349,370	-	349,370	2,423,974	90,080	1,568,224	1,359,200	5,790,848
Gifted Assets	-	-	-	-	761,261	-	-	761,261
(Disposals)	(530,500)	-	(530,500)	-	-	(608,745)	-	(1,139,245)
Impairment (losses) / reversals	-	(1,769,100)	(1,769,100)	-	-	-	-	(1,769,100)
Depreciation (expense)	-	-	-	(2,318,161)	(153,708)	(1,651,842)	-	(4,123,711)
Transfers from WIP	-	-	-	4,418,075	571,871	65,418	(5,055,364)	-
Transfers from/(to)	-	-	-	12,451	-	-	(497,573)	(485,122)
<b>Carrying Amount at 30 June 2020</b>	<b>101,918,871</b>	<b>-</b>	<b>101,918,871</b>	<b>130,463,088</b>	<b>2,529,408</b>	<b>10,186,714</b>	<b>2,381,714</b>	<b>247,479,794</b>
Gross carrying amount at 30 June 2020	101,918,871	-	101,918,871	161,627,972	3,832,680	11,908,082	2,381,714	281,669,319
Accumulated depreciation at 30 June 2020	-	-	-	(31,164,885)	(1,303,272)	(1,721,368)	-	(34,189,525)
<b>Carrying Amount at 30 June 2020</b>	<b>101,918,871</b>	<b>-</b>	<b>101,918,871</b>	<b>130,463,087</b>	<b>2,529,408</b>	<b>10,186,714</b>	<b>2,381,714</b>	<b>247,479,794</b>
Additions	-	-	-	4,672,371	136,220	1,351,097	3,003,908	9,163,596
Asset written off	-	-	-	-	-	-	(10,000)	(10,000)
(Disposals)	-	-	-	(1,397,434)	-	(514,910)	-	(1,912,344)
Depreciation (expense)	-	-	-	(2,467,110)	(363,492)	(1,487,788)	-	(4,318,390)
Gifted Assets	-	-	-	95,448	-	-	-	95,448
Impairment (losses) / reversals	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	741,084	18,835	99,700	(859,619)	-
Transfers from/(to) other class of assets	-	-	-	1,240,049	-	14,600	-	1,254,649
<b>Carrying Amount at 30 June 2021</b>	<b>101,918,871</b>	<b>-</b>	<b>101,918,871</b>	<b>133,347,495</b>	<b>2,320,971</b>	<b>9,649,413</b>	<b>4,516,003</b>	<b>251,752,753</b>
<b>Comprises:</b>								
Gross carrying amount at 30 June 2021	101,918,871	-	101,918,871	166,110,051	3,987,738	12,788,834	4,516,003	289,321,497
Accumulated depreciation at 30 June 2021	-	-	-	(32,762,556)	(1,666,767)	(3,139,421)	-	(37,568,744)
<b>Carrying amount at 30 June 2021</b>	<b>101,918,871</b>	<b>-</b>	<b>101,918,871</b>	<b>133,347,495</b>	<b>2,320,971</b>	<b>9,649,413</b>	<b>4,516,003</b>	<b>251,752,753</b>

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**10. INFRASTRUCTURE**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<b>Roads</b>	<b>Drainage</b>	<b>Pathways</b>	<b>Parks and Reserves</b>	<b>Waste Infrastructure</b>	<b>Other Infrastructure</b>	<b>Work in Progress</b>	<b>Total Infrastructure</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	<b>501,734,083</b>	<b>310,510,250</b>	<b>55,595,040</b>	<b>41,650,565</b>	<b>2,033,422</b>	<b>868,178</b>	<b>12,410,743</b>	<b>924,802,281</b>
Additions	1,095,536	465,903	273,968	686,748	131,807	20,562	12,063,112	14,737,636
Depreciation (expense)	(11,041,997)	(3,604,561)	(1,655,398)	(2,118,753)	(170,868)	(83,930)	-	(18,675,507)
Transfers from WIP	1,688,155	3,642	1,308,337	3,263,369	373,125	95,175	(6,731,803)	-
Transfers to WIP	-	-	-	-	-	-	-	-
Property, Plant & Equipment	-	-	-	1,638	-	-	483,484	485,122
<b>Carrying Amount at 30 June 2020</b>	<b>499,339,901</b>	<b>311,661,465</b>	<b>56,640,144</b>	<b>46,086,178</b>	<b>2,367,486</b>	<b>899,985</b>	<b>18,225,536</b>	<b>935,220,695</b>
Gross carrying amount at 30 June 2020	676,749,279	401,547,406	82,639,512	74,050,658	3,241,949	2,144,229	18,225,536	1,258,598,569
Accumulated depreciation at 30 June 2020	(177,409,378)	(89,885,941)	(25,999,368)	(27,964,480)	(874,463)	(1,244,244)	-	(323,377,874)
<b>Carrying Amount at 30 June 2020</b>	<b>499,339,901</b>	<b>311,661,465</b>	<b>56,640,144</b>	<b>46,086,178</b>	<b>2,367,486</b>	<b>899,985</b>	<b>18,225,536</b>	<b>935,220,695</b>
Additions	1,227,219	2,303	719,962	364,221	-	-	9,946,432	12,260,137
Gifted Assets	5,791,524	6,282,836	2,250,020	1,807,747	-	-	-	16,132,127
(Disposals)	(1,150)	(2,458,889)	(311,348)	(3,107,945)	(25,458)	(10,808)	-	(5,915,598)
Depreciation (expense)	(11,180,774)	(3,647,062)	(1,709,553)	(2,378,066)	(229,158)	(93,563)	-	(19,238,176)
Asset Class Reclassification	(196,735)	-	-	-	170,363	26,372	-	-
Adjustment	-	-	-	-	-	-	(7,950)	(7,950)
Transfers from WIP	10,037,144	1,886,542	2,558,486	1,097,614	-	26,690	(15,606,476)	-
Transfers from/(to) other class of assets	-	-	-	-	-	-	(1,249,841)	(1,249,841)
<b>Carrying Amount at 30 June 2021</b>	<b>505,017,129</b>	<b>313,727,195</b>	<b>60,147,711</b>	<b>43,869,749</b>	<b>2,283,233</b>	<b>848,676</b>	<b>11,307,701</b>	<b>937,201,394</b>
<b>Comprises:</b>								
Gross carrying amount at 30 June 2021	693,594,036	406,083,683	87,693,891	72,299,104	3,339,547	2,163,418	11,307,701	1,276,481,380
Accumulated depreciation at 30 June 2021	(188,576,907)	(92,356,488)	(27,546,180)	(28,429,355)	(1,056,314)	(1,314,742)	-	(339,279,986)
<b>Carrying amount at 30 June 2021</b>	<b>505,017,129</b>	<b>313,727,195</b>	<b>60,147,711</b>	<b>43,869,749</b>	<b>2,283,233</b>	<b>848,676</b>	<b>11,307,701</b>	<b>937,201,394</b>

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

### For the year ended 30 June 2021

#### 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
- Other 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

		30-Jun-21			
		Level 1	Level 2	Level 3	Total
<b>Non-Financial Assets</b>	<b>Note</b>				
Land	9	-	101,918,871	-	101,918,871
Buildings	9	-	-	133,347,495	133,347,495
Furniture and Fittings	9	-	-	2,320,971	2,320,971
Plant & Machinery	9	-	-	9,649,413	9,649,413
Roads	10	-	-	505,017,129	505,017,129
Drainage	10	-	-	313,727,195	313,727,195
Pathways	10	-	-	60,147,711	60,147,711
Parks and Reserves	10	-	-	43,869,749	43,869,749
Waste Infrastructure	10	-	-	2,283,233	2,283,233
Other Infrastructure	10	-	-	848,676	848,676
Landfill Cell	8(b)	-	-	817,840	817,840
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		<b>-</b>	<b>101,918,871</b>	<b>1,072,029,412</b>	<b>1,173,948,283</b>

		30-Jun-20			
		Level 1	Level 2	Level 3	Total
<b>Non-Financial Assets</b>	<b>Note</b>				
Land	9	-	101,918,871	-	101,918,871
Buildings	9	-	-	130,463,087	130,463,087
Furniture and Fittings	9	-	-	2,529,408	2,529,408
Plant & Machinery	9	-	-	10,186,714	10,186,714
Roads	10	-	-	499,339,901	499,339,901
Drainage	10	-	-	311,661,465	311,661,465
Pathways	10	-	-	56,640,144	56,640,144
Parks and Reserves	10	-	-	46,086,178	46,086,178
Waste Infrastructure	10	-	-	2,367,486	2,367,486
Other Infrastructure	10	-	-	899,985	899,985
Landfill Cell	8(b)	-	-	774,016	774,016
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		<b>-</b>	<b>101,918,871</b>	<b>1,060,948,384</b>	<b>1,162,867,255</b>



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

## For the year ended 30 June 2021

### 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 Input	Fair Value at 30 June 2021	Valuation Technique(s)	Inputs Used
Land	2	101,918,871	Market Approach	Price per square metre
Buildings	3	133,347,495	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	2,320,971	Cost 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	9,649,413	Cost Approach	Make, size, year of manufacture and condition, Residual value on typical operating condition.
Roads	3	505,017,129	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	313,727,195	Cost Approach	Price per metre / unit . No residual value. Useful life. Fair Value based on age.
Pathways	3	60,147,711	Cost Approach	Price per square metre. No residual value. Useful life. Fair Value based on age.
Parks and Reserves	3	43,869,749	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	2,283,233	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	848,676	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	817,840	Cost Approach	Price per hectare.
<b>TOTAL</b>		<b>1,173,948,283</b>		

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

### For the year ended 30 June 2021

#### 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 was used which was 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 was followed which was 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 was followed which was 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 was followed which was 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 over the used life of the cell.

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 2021

### 12. FIXED ASSETS

#### SIGNIFICANT ACCOUNTING POLICIES

##### Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

##### Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable. Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

##### Fixed assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Change in Accounting Policy - Assets Capitalisation Threshold

In accordance with the amendment to *Local Government (Financial Management) Regulations 1996*, the City is required to capitalise assets in excess of \$5,000 only.

This was reflected in the Statement of Other Comprehensive Income for the year given that the amount was considered insignificant to restate the Retained Surplus as at 1 July 2018.

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are 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.

##### Revaluation

The fair value of fixed assets is determined at least every three years and no more than 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.

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revaluation (continued)

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.

#### 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 2021

**12. FIXED ASSETS (Continued)**

**(a) Disposals of Assets**

	2021				2021				2021				2020			
	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$				
<b>By Program</b>																
Governance	31,436	35,132	3,696	-	42,000	39,200	-	(2,800)	30,090	30,132	42	-				
Law Order and Public Safety	28,834	259	259	(28,834)	77,100	67,000	300	(10,400)	16,278	23,918	7,640	-				
Health	-	-	-	-	14,000	14,000	-	-	24,532	27,609	3,077	-				
Education and Welfare	-	-	-	-	-	-	-	-	20,175	20,124	-	(51)				
Community Amenities	26,658	1,376	176	(25,458)	826,800	762,100	130,000	(254,700)	92,263	58,090	-	(34,173)				
Recreation and Culture	4,636,012	168,032	39,115	(4,507,095)	137,300	135,100	18,700	(20,900)	64,770	59,991	-	(4,779)				
Transport	3,105,003	287,768	23,442	(2,840,677)	406,900	348,100	19,100	(77,900)	360,636	264,982	-	(95,654)				
Economic Services	-	-	-	-	-	-	-	-	-	-	-	-				
Other Property and Services	-	-	-	-	291,400	214,000	2,600	(20,000)	689,591	536,370	-	(153,221)				
<b>Total Disposal of Assets</b>	<b>7,827,943</b>	<b>492,567</b>	<b>66,688</b>	<b>(7,402,064)</b>	<b>1,795,500</b>	<b>1,579,500</b>	<b>170,700</b>	<b>(386,700)</b>	<b>1,298,335</b>	<b>1,021,216</b>	<b>10,759</b>	<b>(287,878)</b>				
<b>By Class</b>																
<b>Property, Plant &amp; Equipment</b>																
Land and Buildings	1,372,027	-	-	(1,372,027)	291,400	214,000	2,600	(20,000)	689,591	536,370	-	(153,221)				
Plant and Machinery	540,318	492,567	66,688	(114,439)	1,504,100	1,365,500	168,100	(366,700)	608,744	484,846	10,759	(134,657)				
	<b>1,912,345</b>	<b>492,567</b>	<b>66,688</b>	<b>(1,486,466)</b>	<b>1,795,500</b>	<b>1,579,500</b>	<b>170,700</b>	<b>(386,700)</b>	<b>1,298,335</b>	<b>1,021,216</b>	<b>10,759</b>	<b>(287,878)</b>				
<b>Infrastructure</b>																
Roads	1,150	-	-	(1,150)	-	-	-	-	-	-	-	-				
Parks and Reserves	3,107,945	-	-	(3,107,945)	-	-	-	-	-	-	-	-				
Drainage	2,458,889	-	-	(2,458,889)	-	-	-	-	-	-	-	-				
Pathways	311,348	-	-	(311,348)	-	-	-	-	-	-	-	-				
Waste Infrastructure	25,458	-	-	(25,458)	-	-	-	-	-	-	-	-				
Other Infrastructure	10,808	-	-	(10,808)	-	-	-	-	-	-	-	-				
	<b>5,915,598</b>	<b>-</b>	<b>-</b>	<b>(5,915,598)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Total Disposal of Assets</b>	<b>7,827,943</b>	<b>492,567</b>	<b>66,688</b>	<b>(7,402,064)</b>	<b>1,795,500</b>	<b>1,579,500</b>	<b>170,700</b>	<b>(386,700)</b>	<b>1,298,335</b>	<b>1,021,216</b>	<b>10,759</b>	<b>(287,878)</b>				

\* The total loss on disposed assets of \$7,402,064 consists of prior year losses of \$5,706,560 and current year loss of \$1,695,504. The prior year loss on demolished or unusable assets of drainage, pathways, other infrastructure, and buildings has been recognised through retained earnings. The yearly loss on disposals is summarised below;

<b>Loss \$</b>	
2017/2018	5,422,536
2018/2019	25,161
2019/2020	258,863
2020/2021	1,695,504
	<b>7,402,064</b>

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

### For the year ended 30 June 2021

#### 12. FIXED ASSETS (Continued)

##### 12(b). Depreciation and Amortisation

###### Depreciation

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

###### Depreciation

Right of Use Asset - Gym Equipment
Right of Use Asset - IT Equipment
Right of Use Asset - Plants
Right of Use Asset - Printing Equipment
Right of Use Asset - Properties

###### Total Depreciation

###### Amortisation

Rehabilitation Asset
----------------------

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Buildings	2,467,110	2,440,700	2,318,162
Furniture and Equipment	363,492	173,400	153,708
Plant and Machinery	1,487,788	1,985,500	1,651,842
Roads	11,180,774	11,402,300	11,041,997
Drainage	3,647,062	3,696,300	3,604,561
Pathways	1,709,553	1,747,600	1,655,398
Parks and Reserves	2,378,066	2,632,700	2,118,753
Waste / Other Infrastructure	322,721	257,500	254,798
Landfill Cell	93,985	492,700	92,766
	<b>23,650,551</b>	<b>24,828,700</b>	<b>22,891,985</b>
Right of Use Asset - Gym Equipment	187,981	180,000	177,981
Right of Use Asset - IT Equipment	640,634	757,000	621,530
Right of Use Asset - Plants	8,812	14,500	31,287
Right of Use Asset - Printing Equipment	165,688	166,000	174,681
Right of Use Asset - Properties	448,906	634,700	648,435
	<b>1,452,021</b>	<b>1,752,200</b>	<b>1,653,914</b>
<b>Total Depreciation</b>	<b>25,102,572</b>	<b>26,580,900</b>	<b>24,545,899</b>
Amortisation			
Rehabilitation Asset	263,435	-	273,628
	<b>263,435</b>	<b>-</b>	<b>273,628</b>

#### 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.

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.

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

(a) 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 carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

##### Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use. The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year. Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

The Rehabilitation asset was recognised at fair value from the 2014/15 financial year with the recognition of rehabilitation liability.

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Amortisation (continued)

The asset will be amortised over the useful life of the asset. Rehabilitation liability has been recognised over three phases. As per the assessment as at 30 June 2021 the asset will be amortised over the weighted average amortisation period of 8 years.

The useful life of the asset will be reassessed annually and the amortisation period will be adjusted accordingly.

##### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Buildings	30 - 180 years
Electronic Equipment	2 - 3 years
Furniture and Equipment	5 - 15 years
Plant and Machinery	
- Motor Vehicles	2 - 10 years
- Major Plant	5 - 20 years
- Minor Plant and Equipment	1 - 30 years
Roads	
- Sealed	15 - 80 years
- Pavements	40 - 120 years
- Gravel	10 years
- Kerb	50 years
- Formation	Not Depreciated
- Road Bridges	30 - 80 Years
Drainage	
- Storm Water	25 - 120 years
- Subsoil	25 - 120 years
- Water Harvesting Devices	50 years
Parks and reserves	
- Playground Equipment	10 - 40 years
- Bores & Pumps	10 - 50 years
- Artworks, Memorials and Signs	10 - 80 years
- POS Structures	10 - 50 Years
- Active Ares and Hardscape	15 - 50 years
- POS Furniture & Infrastructure	10 - 30 years
- Boardwalks & Bridges	10 - 30 years
- Retaining Walls & Walls	35 - 50 years
- Fences/Gates	20 - 50 years
- Electrical	25 - 30 years
- POS Lighting	10 - 50 years
Pathways	20 - 50 years
YearsWaste/Other Infrastructure	15 - 70 years
Landfill Cell	15 - 50 years
Community Art	No Depreciation

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**13. REVALUATION SURPLUS**

	2021			2020			2020		
	Opening Balance	Increment/(Decrement)	Transfer to Retained Surplus	Closing Balance	Opening Balance	Increment/(Decrement)	Transfer to Retained Surplus	Closing Balance	
	\$	\$		\$	\$	\$		\$	\$
Revaluation surplus - Land - Vested Land	95,068,334	-	-	95,068,334	95,662,778	-	(594,444)	95,068,334	
Revaluation surplus - Land - Freehold Land	-	-	-	-	1,769,100	(1,769,100)	-	-	
Revaluation surplus - Building	25,718,295	-	(85,783)	25,632,512	25,718,295	-	-	25,718,295	
Revaluation surplus - Furniture & Equipment	161,766	-	-	161,766	161,766	-	-	161,766	
Revaluation surplus - Plant & Machinery	240,974	-	(53,451)	187,523	377,361	-	(136,387)	240,974	
Revaluation surplus - Infrastructure Roads	302,074,383	-	(39,360)	302,035,023	302,074,383	-	-	302,074,383	
Revaluation surplus - Infrastructure Drainage	229,082,462	-	(2,053,245)	227,029,217	229,082,462	-	-	229,082,462	
Revaluation surplus - Infrastructure Pathways	38,570,503	-	(202,938)	38,367,565	38,570,503	-	-	38,570,503	
Revaluation surplus - Infrastructure Parks & Gardens	-	-	-	-	-	-	-	-	
Revaluation surplus - Infrastructure Waste	237,486	-	-	237,486	237,486	-	-	237,486	
Revaluation surplus - Infrastructure Landfill Cell	1,169,445	-	-	1,169,445	1,169,445	-	-	1,169,445	
Revaluation surplus - Infrastructure Other	792,180	-	(17,754)	774,426	792,180	-	-	792,180	
	693,115,828	0	(2,452,531)	690,663,297	695,615,759	(1,769,100)	(730,831)	693,115,828	



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**14. TRADE AND OTHER PAYABLES**

**Current**

Sundry Creditors
Accrued Salaries and Wages
Accrued Expenses
Revenue Received in Advance
Rates in Advance
ESL Liability
Payroll Entitlements
Deposits and Bonds

Note	2021 Actual \$	2020 Actual \$
	9,389,997	9,326,672
	161,956	1,756,872
	403,162	259,619
	2,368,628	680,438
	7,358,797	6,961,065
	42,153	81,508
	268,627	245,790
	6,885,484	6,333,956
	<b>26,878,804</b>	<b>25,645,920</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 of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

**14(a). CAPITAL GRANTS LIABILITIES**

**Current**

Revenue in Advance- Development Contribution
--

**Non Current**

Revenue in Advance- Development Contribution
--

7,950,291	8,538,300
<b>7,950,291</b>	<b>8,538,300</b>
15,009,119	12,651,689
<b>15,009,119</b>	<b>12,651,689</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract Liabilities**

Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Grant liabilities**

Grant liabilities represent the City's performance obligations to contract recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Service concession liabilities**

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the City. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**15. PROVISIONS**

**Current Employee Benefits Related Provisions**

	2021 Actual \$	2020 Actual \$
Employees Annual Leave	4,173,408	4,226,440
Employees On-Costs Annual Leave	479,942	486,038
Employees Long Service Leave	3,390,339	3,293,392
Employees On-Costs Long Service Leave	400,643	409,452

**8,444,332 8,415,322**

**Non-Current Employee Benefits Related Provisions**

Employees Long Service Leave	553,917	746,884
Employees On-Costs Long Service Leave	63,701	85,892

**617,618 832,776**

**Total Employee Benefits Provisions**

**9,061,950 9,248,098**

**Non-Current Other Provisions**

Provision for Rehabilitation of Landfill Site	4,191,018	4,033,319
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**Total Non-Current Provisions**

**4,808,636 4,866,095**

**Total Provisions**

**13,252,968 13,281,417**

**Provision for Annual Leave**

Opening Balance at 1 July 2020	4,226,440	3,924,186
Additional Provisions / (Amount Used)	6,098	299,121
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discounted rate	(59,130)	3,133

**Balance at 30 June 2021 4,173,408 4,226,440**

**Provision for Long Service Leave**

Opening Balance at 1 July 2020	4,040,276	3,974,071
Additional Provisions / (Amount Used)	166,573	103,007
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discounted rate	(262,592)	(36,802)

**Balance at 30 June 2021 3,944,257 4,040,276**

**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.

**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	3,692,732	3,759,998
More than 12 months after the end of the reporting period	480,678	466,442

**4,173,410 4,226,440**

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	3,390,339	3,293,392
More than 12 months after the end of the reporting period	553,918	746,884

**3,944,257 4,040,276**

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.

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

## For the year ended 30 June 2021

### 15. PROVISIONS (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

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

The discounted present value of the future capping expenditure is amortised on a straight line basis over the anticipated lives of the current cell phases.

#### 15(a) Provision for Rehabilitation of Landfill Site

Balance at the Beginning of the Year
Provision Made During the Year
Change in Estimates*
Unwinding Discount
Balance at the End of the Year

2021 Actual \$	2020 Actual \$
4,033,319	3,835,120
-	-
132,623	178,321
25,076	19,878
<b>4,191,018</b>	<b>4,033,319</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 2021

### 16. INFORMATION ON BORROWINGS

(a) Borrowings	Loan Number	Institution	Interest Rate	2021		2020	
				\$	\$	\$	\$
Current				3,584,116	3,532,271		
Non-current				33,279,502	36,109,194		
				<b>36,863,618</b>	<b>39,641,465</b>		

(b) Repayments - Borrowings	Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2020		30 June 2021		30 June 2020		30 June 2020		30 June 2020		30 June 2020	
					Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
					Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
					1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Governance</b>																	
	292 Loan Borrowings 2008	292	WATC	7.29%	156,323	-	48,166	11,532	110,157	-	156,300	-	49,000	10,600	109,300	-	225,609	-
	295 Old Library Conversion 2009	295	WATC	5.89%	-	-	-	-	-	-	199,600	-	-	-	-	-	89,505	-
	296 Loan Borrowings 2009	296	WATC	6.77%	-	-	45,030	12,754	154,558	-	-	-	45,000	12,800	154,600	-	261,753	-
	298 Loan Borrowings 2010	298	WATC	5.89%	-	-	-	-	-	-	-	-	-	-	-	-	70,325	-
	306 Loan Borrowings 2011	306	WATC	5.89%	-	-	-	-	-	-	85,600	-	85,600	3,700	-	-	166,548	-
	316 Orchard House 2014	316	WATC	4.78%	2,770,536	-	142,969	130,538	2,627,567	-	2,770,500	-	143,000	130,700	2,627,500	-	2,906,909	-
	318 Orchard House 2015	318	WATC	3.53%	8,727,388	-	470,231	303,555	8,257,137	-	8,727,400	-	470,200	304,000	8,257,200	-	9,181,449	-
	323 Core System Review	323	WATC	3.60%	3,177,543	-	328,288	72,385	2,849,255	-	3,177,500	-	328,300	55,700	2,849,200	-	3,500,000	-
	342 Core System Review	342	WATC	2.40%	1,400,000	-	132,575	-	1,267,425	-	1,400,000	-	132,600	16,500	-	-	322,457	-
	345 Core System Review 2021	345	WATC	-	-	-	-	-	-	-	-	-	-	-	1,430,000	-	-	-
	<b>Recreation and culture</b>																	
	291 Aquatic Works 2008	291	WATC	7.26%	286,104	-	27,495	20,276	258,609	-	286,100	-	27,500	20,300	258,600	-	323,839	-
	294 Armadale Library Relocation 2010	294	WATC	5.89%	-	-	-	-	-	-	-	-	-	-	-	-	140,650	-
	299 Aquatic Centre Upgrade 2010	299	WATC	6.19%	-	-	74,892	25,001	349,695	-	424,600	-	74,900	25,100	349,700	-	495,050	-
	300 Fyre Park Redevelopment 2010	300	WATC	5.89%	-	-	-	-	-	-	-	-	-	-	-	-	58,818	-
	302 Aquatic Centre Upgrade 2011	302	WATC	6.02%	984,970	-	65,407	58,207	919,563	-	985,000	-	64,500	58,300	920,500	-	1,046,612	-
	304 Fyre Park Redevelopment 2011	304	WATC	6.02%	734,940	-	48,804	43,431	686,136	-	734,900	-	48,800	43,500	686,100	-	780,933	-
	305 Plaza Waters (North) Sports 2011	305	WATC	5.89%	585,928	-	84,049	33,143	501,879	-	585,900	-	84,000	33,300	501,900	-	665,237	-
	311 Aquatic Centre Upgrade 2012	311	WATC	4.48%	1,122,598	-	70,880	50,980	1,051,718	-	1,122,600	-	72,500	49,500	1,050,100	-	1,191,925	-
	314 Oval Lighting Upgrade	314	WATC	3.47%	488,607	-	91,116	16,119	397,491	-	488,600	-	91,100	16,200	397,500	-	576,642	-
	315 Armadale Golf Course	315	WATC	2.94%	257,692	-	33,670	7,325	224,022	-	257,700	-	33,700	7,500	224,000	-	306,389	-
	322 Kelmscott Library - Stage 1	322	WATC	2.69%	446,636	-	69,557	11,504	377,079	-	446,600	-	69,600	11,500	377,000	-	514,359	-
	324 Indoor Aquatic Centre	324	WATC	2.94%	-	-	466,183	195,922	10,072,267	-	10,538,450	-	466,200	196,100	10,072,300	-	11,016,000	-
	326 Armadale Hall Upgrade 2018	326	WATC	3.60%	-	-	363,630	61,617	3,155,998	-	3,519,600	-	363,600	61,700	3,156,000	-	3,876,800	-
	327 Lighting Renewal 2018	327	WATC	5.32%	174,512	-	56,640	4,256	117,872	-	174,500	-	56,600	4,300	117,900	-	229,675	-
	329 Infrastructure - Parks 2017	329	WATC	2.42%	165,795	-	81,900	3,509	83,895	-	165,800	-	81,900	3,500	83,900	-	229,675	-
	330 Greendale Centre	330	WATC	5.32%	270,943	-	87,939	6,607	183,004	-	270,900	-	87,900	6,600	183,000	-	285,010	-
	331 Infrastructure - Parks 2018	331	WATC	5.32%	184,733	-	59,958	4,505	124,775	-	184,700	-	59,900	4,500	124,800	-	85,645	-
	332 Champion Centre Upgrade	332	WATC	5.32%	350,000	-	68,943	2,518	281,057	-	350,000	-	65,900	2,500	281,100	-	243,128	-
	334 Armadale Library Creative Space	334	WATC	2.90%	217,549	-	53,214	2,950	164,335	-	217,500	-	53,200	3,000	164,300	-	270,000	-
	336 Lighting Renewal - 2	336	WATC	2.90%	40,294	-	9,854	546	30,440	-	40,300	-	9,900	500	30,400	-	50,000	-
	337 AFAC Carpark	337	WATC	0.00%	500,000	-	20,694	9,567	479,306	-	500,000	-	20,700	9,600	479,300	-	50,000	-
	338 Wungah Regional Recreation Facility	338	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	339 Harrisdale Library Services	339	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	343 Bedforddale Fire Service	343	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	344 Challenge Park	344	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	346 Roleystone Theatre	346	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	347 Creyk Park 2021	347	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	348 Morgan Park	348	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	349 Harrisdale Library Services - 2	349	WATC	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	343 Bedforddale Fire Service	343	WATC	2.89%	-	-	-	59	750,000	-	-	-	-	-	-	-	-	-
	<b>Transport</b>																	
	303 Civil Works - Roads 2011	303	WATC	5.88%	43,690	-	41,732	1,683	1,958	-	43,700	-	43,700	1,900	-	-	85,001	-
	317 Abbey Road Project 2014	317	WATC	4.03%	1,345,084	-	316,421	50,667	1,028,663	-	1,345,100	-	316,400	51,100	1,028,700	-	1,649,128	-
	320 Abbey Road Project Refinance 2015	320	WATC	3.12%	-	-	-	-	-	-	-	-	-	-	-	-	4,552,800	-
	321 Armadale Arena Roofing 2015	321	WATC	3.47%	439,742	-	82,005	14,507	357,737	-	439,700	-	82,000	14,600	357,700	-	518,980	-
	<b>Total</b>				<b>39,641,465</b>	<b>750,000</b>	<b>3,527,847</b>	<b>1,159,181</b>	<b>36,863,618</b>		<b>39,641,200</b>	<b>10,768,200</b>	<b>3,528,200</b>	<b>1,159,100</b>	<b>46,881,200</b>		<b>45,635,662</b>	<b>12,788,450</b>
																	<b>1,313,465</b>	<b>39,641,465</b>

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

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**16. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2020/21**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
338 Wungong District Playing Field	WATC	Debenture	5	3.00	-	206,600	-	-	-	-
339 Harrisdale Library Services	WATC	Debenture	10	3.00	-	500,000	-	-	-	-
343 Bedforddale Fire Service	WATC	Debenture	10	3.00	750,000	750,000	-	-	-	-
344 John Dunne Challenge Park	WATC	Debenture	10	3.00	-	1,230,000	-	-	-	-
345 Core System Review 2021	WATC	Debenture	10	3.00	-	1,430,000	-	-	-	-
346 Roleystone Theatre	WATC	Debenture	10	3.00	-	2,600,000	-	-	-	-
347 Creyk Park Pavilion	WATC	Debenture	10	3.00	-	1,381,600	-	-	-	-
348 Morgan Park	WATC	Debenture	10	3.00	-	200,000	-	-	-	-
349 Harrisdale Library Services - 2	WATC	Debenture	10	3.00	-	2,470,000	-	-	-	-
* WA Treasury Corporation					<b>750,000</b>	<b>10,768,200</b>	-	-	-	-

**(d) Unspent Borrowings**

Particulars	Date Borrowed	Unspent Balance 1 July 2020	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2021
		\$	\$	\$	\$
323 Core System Review	WATC 25/06/2019	1,060,869	-	353,623	707,246
* WA Treasury Corporation		1,060,869	-	353,623	707,246

(e) Undrawn Borrowing Facilities	2021	2020
	\$	\$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	-	-
Credit card limit	21,000	21,000
Credit card balance at balance date	(15,000)	(4,000)
<b>Total amount of credit unused</b>	<b>106,000</b>	<b>117,000</b>
<b>Loan facilities</b>		
Loan facilities - current	3,584,116	3,532,271
Loan facilities - non-current	33,279,502	36,109,194
Lease liabilities - current	1,287,948	1,607,546
Lease liabilities - non-current	1,931,617	3,054,149
<b>Total facilities in use at balance date</b>	<b>40,083,183</b>	<b>44,303,160</b>

The City did not utilise an overdraft during the 2020/21 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 2020 and 30 June 2021 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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Risk**

Information regarding exposure to risk can be found at Note 28.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**a) Reconciliation of Cash**

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

Cash and Cash Equivalents

2021 Actual \$	2020 Actual \$
<b>2,792,506</b>	<b>45,138,753</b>

**b) Reconciliation of Net Cash Provided by Operating Activities to Net Result**

Net Result	23,963,138	22,291,744
Non-cash Items:		
Depreciation	25,102,572	24,545,899
Amortisation	263,435	273,628
Accretion Charge	25,076	19,878
Land Fill - Revision to Estimates	(132,618)	-
Assets written off	7,950	-
Profit on Sale of Asset	(66,688)	(10,759)
Loss on Sale of Asset	1,695,504	287,878
(Increase)/ decrease in Investment	72,887	(23,044)
Developer Contribution Plans - Gifted Assets	(16,227,575)	(14,632,424)
Changes in Assets and Liabilities:		
(Increase) / Decrease in Receivables	(1,839,066)	3,781,788
(Increase) / Decrease in Inventories	21,239	(7,145)
Increase / (Decrease) in Payables	3,002,304	(10,458,619)
Increase / (Decrease) in Provisions	(186,148)	441,539
Grants and Contributions for Asset Development	(2,682,927)	(6,590,284)
Developer Contribution Plans - Cash	(3,940,445)	(5,317,757)
Developer Contribution Plans - Contributions Payments	1,570,369	2,006,272
<b>Net Cash from Operating Activities</b>	<b>30,649,007</b>	<b>16,608,593</b>



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	2021 Actual \$	2020 Actual \$
General Purpose Funding	136,518,525	127,060,910
Governance	77,700,621	76,813,087
Law, Order and Public Safety	611,156	419,671
Health	116,275	118,476
Education and Welfare	2,031,363	2,573,602
Community Amenities	73,625,106	76,723,142
Recreation and Culture	66,254,622	61,083,703
Transport	845,271,481	842,080,696
Economic Services	4,333,039	3,431,489
Other Property and Services	131,776,134	130,923,089
	<b>1,338,238,322</b>	<b>1,321,227,864</b>

**19. CONTINGENT LIABILITIES**

The City had no contingent liabilities at 30 June 2021.

**20. CAPITAL AND LEASING COMMITMENTS**

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects
- plant and machinery purchases

Payable:

- not later than one year

2,539,760	2,549,984
1,759,948	1,004,151
<b>4,299,708</b>	<b>3,554,135</b>
<b>4,299,708</b>	<b>3,554,135</b>

The capital expenditure projects outstanding at the end of the current reporting period is represented by the following expenditure groups:

**Group**

Drainage	-	9,345
Land / Buildings	1,473,082	1,468,488
Parks	941,218	972,347
Pathways	-	32,809
Plant / Machinery	1,759,948	1,004,151
Roads	125,460	66,995
	<b>4,299,708</b>	<b>3,554,135</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 of 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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases (Continued)**

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**21. RELATED PARTY TRANSACTIONS**

**Elected Members Remuneration**

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

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
Members Allowance	443,483	459,321	460,406
Mayoral Allowance	89,750	89,750	93,300
Deputy Mayoral Allowance	22,440	22,440	22,440
Travelling Allowance	6,123	11,000	10,123
Communication Reimbursement	10,647	16,310	11,242
Child Minding Reimbursement	-	3,500	-
Information Technology Allowance	47,250	49,000	49,029
Vehicle Operation - Mayor	2,101	12,500	4,478
	<b>621,794</b>	<b>663,821</b>	<b>651,018</b>

**Key Management Personnel (KMP) Compensation Disclosure**

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

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
Short term employee benefits	1,332,777	1,446,268
Post employment benefits	169,332	154,687
Other long term benefits	24,155	26,311
Termination benefits	-	-
	<b>1,526,264</b>	<b>1,627,266</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 2020/21 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.

**iii. Joint venture entities accounted for under the proportionate consolidation method**

The City has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**22. RATING INFORMATION**

**(a) Rates**

Rates														
RATE TYPE	Rate in Cents \$	Number of Properties #	2020/21 Actual Rateable Value \$	2020/21 Actual Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rateable Value \$	2020/21 Budget Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$	
Gross rental valuations														
Group 1 - Vacant	14.997	1,184	21,675,440	3,250,666	69,120	(6,322)	3,313,464	14,9970	1,150	21,676,190	3,250,700	-	3,250,700	2,651,598
Group 2 - Residential Improved	10.3323	29,700	482,853,018	49,889,817	710,549	36,112	50,636,478	10.3323	29,680	482,391,160	49,839,000	844,500	50,683,500	51,205,229
Group 3 - Business Improved	9.3570	719	99,409,421	9,301,740	169,897	18,479	9,490,116	9.3570	717	99,533,191	9,312,600	-	9,312,600	9,361,986
Unimproved valuations														
Unimproved Value Lands	0.4525	137	148,077,000	670,048	(39,617)	(229)	630,202	0.4525	127	148,077,000	670,000	-	670,000	671,271
Sub-Total		31,740	752,014,879	63,112,271	909,949	48,040	64,070,260	31,674	751,677,541	63,072,300	844,500	-	63,916,800	63,890,084
Minimum payment														
	Minimum \$													
Gross rental valuations														
Group 1 - Vacant	1022	1,106	5,170,883	1,130,332	171,780	12,924	1,315,036	1,022	1,099	5,146,673	1,123,100	255,500	1,378,600	1,861,132
Group 2 - Residential Improved	1179	4,182	42,543,681	4,930,578	38,813	11,309	4,980,700	1,179	4,204	42,764,801	4,956,500	-	4,956,500	3,201,220
Group 3 - Business Improved	1371	338	3,472,853	463,398	13,710	2,285	479,393	1,371	340	3,494,423	466,100	-	466,100	316,166
Unimproved valuations														
Unimproved Value Lands	1412	15	3,388,492	21,180	1,292	-	22,472	1,412	15	3,388,492	21,200	-	21,200	43,248
Sub-Total		5,641	54,575,909	6,545,488	225,595	26,518	6,797,601	5,658	54,794,389	6,566,900	255,500	-	6,822,400	5,421,766
TOTAL														
Vacant		2,290	26,846,323	4,380,998	240,900	6,602	4,628,500	2,249	26,822,863	4,373,800	255,500	-	4,629,300	4,512,730
Residential Improved		33,882	525,396,699	54,820,395	749,362	47,421	55,617,178	33,884	525,155,961	54,796,500	844,500	-	55,640,000	54,406,449
Business Improved		1,057	102,882,274	9,765,138	183,607	20,764	9,969,509	1,057	103,027,614	9,778,700	-	-	9,778,700	9,678,152
		37,229	655,125,296	68,966,531	1,173,869	74,787	70,215,187	37,190	655,006,438	68,948,000	1,100,000	-	70,048,000	68,597,331
Unimproved Value Lands		152	151,465,492	691,228	(38,325)	(229)	652,674	142	151,465,492	691,200	-	-	691,200	714,519
GRAND TOTAL		37,381	806,590,788	69,657,759	1,135,544	74,558	70,867,861	37,332	806,471,930	69,639,200	1,100,000	-	70,739,200	69,311,850
Discounts (Note 22(b))														
Add - Rate Equivalent Payments and Adjustments							29,154					30,000	30,204	(10,080)
Less - Rate Concession							(19,291)					(20,000)		
Less - Rate Concession - COVID-19 Pandemic Response							(1,792,429)							
Vacant							-					(267,200)	-	-
Residential Improved							-					(1,248,800)	-	-
Business Improved							-					(362,000)	-	-
Total amount raised from general rate							69,085,295					68,871,200	69,331,974	
Specified Area Rate (Note 22(b))														
Ex-gratia rates							489,477					487,100	470,858	
Prepaid rates							-						-	-
Totals							69,574,772					69,358,300	69,802,832	

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**22. RATING INFORMATION (Continued)**

**(b) Specified Area Rate GRV**

Specified Area Rate GRV	Basis of Valuation	Rate In Cents	Number of Properties	2020/2021 Actual Rateable Value	2020/2021 Actual Rateable Value	2020/2021 Actual Interim Revenue	2020/2021 Actual Back Revenue	2020/2021 Total Specified Area Rate Revenue	Rate In Cents	Number of Properties	2020/2021 Budget Rateable Value	2020/2021 Budget Rateable Value	2020/2021 Budget Interim Revenue	2020/2021 Budget Back Revenue	2020/2021 Total Budget Revenue	2019/20 Total Actual Revenue
A - Armadale CBD		0.4046	88	29,434,285	119,091	(115)	(140)	118,836	0.405	88	29,434,000	119,100	-	-	119,100	119,501
B - Kelmscott CBD		0.8800	79	7,779,458	68,459	1,355	-	69,814	0.880	80	7,922,000	70,000	-	-	70,000	65,399
C - Kelmscott Industry		0.1713	341	11,619	19,903	114	-	20,017	0.171	341	11,619,000	20,000	-	-	20,000	19,880
D - South Armadale Industry		0.3416	138	6,645,034	22,699	26	-	22,725	0.342	138	6,645,000	23,000	-	-	23,000	23,879
F - Plara Waters / Hartsdale		0.2550	4,858	95,955,380	244,689	3,071	(18)	247,742	0.255	4,858	95,955,000	245,000	-	-	245,000	230,420
G - Champion Lakes		0.2120	303	4,687,230	9,938	337	68	10,343	0.211	303	4,687,000	10,000	-	-	10,000	11,779
			5,807	144,513,006	484,779	4,788	(90)	489,477		5,808	156,262,000	487,100	-	-	487,100	470,858

In the 2020 - 2021 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 2020 - 2021 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 2020 - 2021 financial year.

**Incentives**

No rate payment incentives were offered in the 2020-2021 financial year.

**Concessions**

A one-off COVID-19 rates Concession was implemented by the City/s for the 2020/2021 financial year. This concession ensured that any property that would have been subject to an increase in rates on the application of the new valuation and rate in the dollar, received a concession, such that the amount payable was the same as what would have been payable using the previous valuation and rate in the dollar. The total of COVID-19 concessions applied was \$1,792,428.76

**Write-Offs**

The following write-offs were made during the 2020 - 2021 financial year -

	2021 Actual \$	2020 Actual \$
Rates	1,274	5,453
General	(70,804)	56,061
Infringements	13,818	15,226
	<b>(55,712)</b>	<b>76,740</b>

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

### For the year ended 30 June 2021

#### 22. RATING INFORMATION (Continued)

##### (e) Interest Charges & Instalments

Instalment Options	Interest Rate %	Admin Charge \$	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
			2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on late paid rates	8	-	244,529	295,000	246,268
Interest on instalment plans	5.5	-	256,577	243,000	233,597
Interest on Emergency Services Levy (ESL)	8	-	18,860	19,000	21,481
			519,966	557,000	501,346
Charges on special arrangements	-	-	-	192,500	178,760
Charges on instalment plans (per payment)	-	51.00	1,068	24,000	1,122
			1,068	216,500	179,882
Total			521,034	773,500	681,228

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 2020/21 financial year.

#### 24. MAJOR TRADING UNDERTAKINGS

No major trading undertakings occurred during the 2020/21 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

#### 27. NET CURRENT ASSETS

##### (a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

##### Adjustments to operating activities

Note	2021 Actual \$	2020 Actual \$	2020 Brought Forward \$
Less: Profit on asset disposals	12(a)	(66,688)	(170,700)
Less: Fair value adjustments to investments	7	72,887	-
Less: Fixed Assets Adjustments		-	124,657
Movement in Deferred Pensioner Rates/ESL (Non-Current)	5	(63,545)	-
Movement in Unwinding Discount of Landfill Site Provision	15	25,076	-
Movement in employee benefit provisions (Non-Current)	15	(215,158)	-
Movement in Leasing Liability (Non-Current)		(1,122,532)	-
Movement in Contract Liability (Non-Current)		2,357,430	(6,521,564)
Add: Loss on disposal of assets - prior year		5,706,560	
Add: Loss on disposal of assets	12(a)	1,695,504	386,700
Add: Depreciation on assets	12(b)	25,102,572	26,580,900
Add: Amortisation	12(b)	263,435	-
<b>Non cash amounts excluded from operating activities</b>		<b>33,755,541</b>	<b>26,796,900</b>
			<b>20,312,410</b>

##### (b) Surplus/(Deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial*

##### Adjustments to net current assets

Less: - Restricted Cash - Reserves	3	-	(33,869,900)	(38,387,224)
Less: Term Deposits - restricted investments	3	(100,949,315)	(47,500,000)	(54,337,200)
Less: Land held for sale	6	(460,001)	-	(460,001)
Less: Unspent Loan Funds	16(d)	(707,246)	-	(1,060,869)
Add: Movement in Expected Credit Loss on Sundry Receivables	5(a)	(84,221)	-	46,597
Add: Contract Liability	14(a)	7,950,291	8,654,680	8,538,300
Add: Lease Current Liability	34(a)	1,287,948	1,322,500	1,607,546
Add: Borrowings	16	3,584,116	4,406,400	3,532,271
Add: Current provisions	15	8,444,332	8,200,000	8,415,324
<b>Total adjustments to net current assets</b>		<b>(80,934,096)</b>	<b>(58,786,320)</b>	<b>(72,105,256)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		141,854,570	116,715,220	129,559,309
Less: Total current liabilities		(48,145,491)	(57,928,900)	(47,739,358)
Less: Total adjustments to net current assets		(80,934,096)	(58,786,320)	(72,105,257)
<b>Net current assets used in the Rate Setting Statement</b>		<b>12,774,983</b>	<b>-</b>	<b>9,714,694</b>

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

### For the year ended 30 June 2021

#### 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	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Financial Assets</b>				
Cash and cash equivalents	2,792,506	45,138,753	2,792,506	45,138,753
Financial Assets	128,724,424	75,837,200	128,724,424	75,837,200
Receivables	9,740,383	7,564,766	9,740,383	7,564,766
	<b>141,257,313</b>	<b>128,540,719</b>	<b>141,257,313</b>	<b>128,540,719</b>
<b>Financial Liabilities</b>				
Payables	26,878,804	25,645,919	26,878,804	25,645,919
Borrowings	36,863,618	39,641,465	31,581,674	37,080,320
Current Lease Liabilities	1,287,948	1,607,140	1,211,250	1,607,140
Non-Current Lease Liabilities	1,931,617	3,054,555	1,689,937	3,054,555
	<b>66,961,987</b>	<b>69,949,079</b>	<b>61,361,665</b>	<b>67,387,934</b>

#### Fair value is determined as follows;

- Cash and cash equivalents, financial assets, 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 amortised cost.

The City's objective is to maximise the return on cash and financial assets, 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 financial assets is price risk - the risk that the capital value of financial assets 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 financial assets 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 0.74% (2020/21 - 1.88%).

Another risk associated with cash and financial assets 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 financial assets with high credit ratings or capital guarantees.

	30 June 2021 \$	30 June 2020 \$
Impact of a 1% movement in interest rates on Cash and financial assets		
Equity	1,315,169	1,209,760
Income statement	1,315,169	1,209,760

#### 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 level of outstanding receivables is reported to Council monthly and monitored for acceptable collection performance. The City makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rates debtors.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivables are separated from other trade receivables due to the difference in payment terms and security for rates receivables.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. There are no material receivables that have been subject to a re-negotiation of repayment terms.

No expected credit loss was forecast on 1 July 2020 or 30 June 2021 for rates receivables as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed off to recover unpaid rates.

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

## For the year ended 30 June 2021

### 28. FINANCIAL RISK MANAGEMENT - (Continued)

#### b. Receivables (Continued)

The loss allowance as at 30 June 2021 and 1 July 2020 (on adoption of AASB 9) was determined as follows for sundry receivables.

Sundry Receivables	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	More than 120 days past due \$	Total \$
<b>30 June 2021</b>						
Expected credit loss	5.0%	5.0%	5.0%	5.1%	12.3%	
Gross carrying amount *	1,090,558	305,819	103,247	23,209	863,891	2,386,724
Loss allowance	86,830	15,292	5,164	1,174	193,465	301,924
<b>1 July 2020</b>						
Expected credit loss	0%	0.0%	0.1%	1.5%	26.0%	
Gross carrying amount *	-	1,004	236,509	362,787	1,462,414	2,062,715
Loss allowance	-	-	329	5,314	380,502	386,145

\* The amount of receivables exclude statutory GST recoverable from the ATO as at balance date.

#### 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>2021</b>					
Payables	26,878,804	-	-	26,878,804	26,878,804
Borrowings	4,637,108	20,717,602	22,605,024	47,959,734	36,863,618
Lease Liabilities	1,460,316	2,973,208	1,471,949	5,905,473	3,219,565
	<b>31,515,912</b>	<b>20,717,602</b>	<b>22,605,024</b>	<b>74,838,538</b>	<b>63,742,422</b>
<b>2020</b>					
Payables	25,645,919	-	-	25,645,919	25,645,919
Borrowings	8,330,930	17,187,138	16,057,620	41,575,688	39,641,465
Lease Liabilities	1,604,904	1,106,866	1,949,925	4,661,695	4,661,695
	<b>35,581,753</b>	<b>18,294,004</b>	<b>18,007,545</b>	<b>71,883,302</b>	<b>69,949,079</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 2021</b>					
<b>Borrowings</b>					
<b>Fixed Rate</b>					
Debentures	2.97%	3,609,226	16,511,433	16,738,535	<b>36,859,194</b>
<b>Year ended 30 June 2020</b>					
<b>Borrowings</b>					
<b>Fixed Rate</b>					
Debentures	3.01%	3,428,575	16,979,850	19,233,039	<b>39,641,465</b>



**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**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>2020/2021 - Financial Assets</b>								
Cash and Cash Equivalents	0.74%	655,230	-	641,670	13,560	-	655,230	-
Restricted Cash and Cash Equivalents	0.36%	2,137,276	-	2,137,276	-	-	2,137,276	-
Unrestricted Investments	0.36%	27,775,109	27,775,109	-	-	-	-	27,775,109
Restricted Investments	0.36%	100,949,315	100,949,315	-	-	-	-	100,949,315
Receivables	-	9,740,383	-	-	9,740,383	7,603,482	305,819	1,831,082
		<b>141,257,313</b>	<b>128,724,424</b>	<b>2,778,946</b>	<b>9,753,943</b>	<b>7,603,482</b>	<b>3,098,325</b>	<b>130,555,506</b>
<b>2020/2021 - Financial Liabilities</b>								
Payables		<b>26,878,804</b>	-	-	<b>26,878,804</b>	<b>26,878,804</b>	-	-
<b>2019/2020 - Financial Assets</b>								
Cash and Cash Equivalents	1.88%	4,574,795	2,783,960	1,709,969	80,866	3,000,000	1,574,795	-
Restricted Cash and Cash Equivalents	0.79%	40,563,958	28,780,000	11,773,970	9,988	4,690,000	24,090,000	11,783,958
Unrestricted Investments	0.79%	21,500,000	21,500,000	-	-	-	-	21,500,000
Restricted Investments	0.79%	54,337,200	54,337,200	-	-	-	-	54,337,200
Receivables	-	7,564,766	-	-	7,564,766	5,153,739	680,688	1,730,339
		<b>128,540,719</b>	<b>107,401,160</b>	<b>13,483,939</b>	<b>7,655,620</b>	<b>12,843,739</b>	<b>26,345,483</b>	<b>89,351,497</b>
<b>2019/2020 - Financial Liabilities</b>								
Payables		<b>25,645,919</b>	-	-	<b>25,645,919</b>	<b>25,645,919</b>	-	-

**29. TRUST FUNDS**

	Balance 1 July 2020 \$	Amounts Received \$	Amounts Paid/Transfers* \$	Balance 30 June 2021 \$
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	1,701,994	13,318	-	1,715,312
Cash in Lieu - POS - Agreements	28,849	226	-	29,075
Cash in Lieu - POS - Ward - Minnawarra	9,084	71	-	9,155
Cash in Lieu - POS - Ward - River	1,982	15	-	1,997
Cash in Lieu of Footpaths	-	-	-	-
Cash in Lieu of Parking	227,453	1,780	-	229,233
Cash in Lieu - POS - Flematti Res 49251	233,188	1,825	-	235,013
POS - Precinct A - Westfield	80,517	630	-	81,147
POS - Precinct B - Seville Grove	38,575	301	-	38,876
POS - Precinct C - West Armadale	237,030	1,855	-	238,885
POS - Precinct F - Clifton Hills	743,482	5,817	-	749,299
POS - Precinct H - Mount Nasura	1,201,445	9,401	-	1,210,846
POS - Precinct N - Forrestdale	218,883	1,713	-	220,596
POS - Precinct O - Palomino	74,227	581	-	74,808
POS - Regional Recreation Infrastructure	453,552	3,548	-	457,100
POS Cash in Lieu - Suburb - Piara Waters	672,383	5,261	-	677,644
POS Cash in Lieu - Suburb - Camillo	116,582	912	-	117,494
POS Cash in Lieu - Suburb - Kelmscott	93,874	-	(1,659)	92,215
POS Cash in Lieu - Suburb - Mount Nasura	3,891	-	(3,891)	-
POS Cash in Lieu - Suburb - Mount Richon	183,737	-	(69,895)	113,842
POS Cash in Lieu - Suburb - Armadale	285,270	2,232	-	287,502
POS Cash in Lieu - Suburb - Roleystone	100,189	-	(17,334)	82,855
POS Cash in Lieu - Suburb - Bedforddale	224,931	1,760	-	226,691
Wungong Road Contribution Accounts	88,107	472,174	-	560,281
	<b>7,019,225</b>	<b>523,420</b>	<b>(92,779)</b>	<b>7,449,866</b>

### 30. 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.

#### 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:

#### h) Fair value hierarchy (Continued)

##### 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 ends of the reporting period.

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

### For the year ended 30 June 2021

#### 31. ACTIVITIES/PROGRAMS

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

##### PROGRAM NAME AND OBJECTIVES

###### Governance

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

###### General Purpose Funding

To collect revenue to allow for the provision of services.

###### Law, Order, Public Safety

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

###### Health

To provide an operational framework for environmental and community health.

###### Education and Welfare

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

###### Housing

To provide and maintain elderly residents housing.

###### Community Amenities

To provide services required by the community.

###### Recreation and Culture

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

###### Transport

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

###### Economic Services

To help promote the local government and its economic wellbeing.

###### Other Property and Services

To monitor and control operating accounts.

###### Activities

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

Rates, general purpose government grants and interest revenue,

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.

Provision and maintenance of elderly residents housing,

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Tourism and area promotion including the maintenance and operation of a caravan park, Provision of rural services including weed control, vermin control and standpipes. Building Control.

Private works operation, plant repair and costs.

**Notes to, and forming part of, the Financial Report**  
For the year ended 30 June 2021

**32. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

Grants / Contributions	Opening Balance <sup>(1)</sup> 01/07/2019 \$	Received <sup>(2)</sup> 2019/20 \$	Expended <sup>(3)</sup> 2019/20 \$	Closing Balance <sup>(1)</sup> 30/06/20 \$	Received <sup>(2)</sup> 2020/21 \$	Expended <sup>(3)</sup> 2020/21 \$	Closing Balance 30/06/21 \$
<b>Community Amenities</b>							-
Fire Prevention	36,884	106,300	(143,184)	-	-	-	-
Fire Prevention - Bushfire	12,571	46,785	(59,356)	-	-	-	-
Indigenous Support Grants	-	-	-	-	80,000	-	80,000
Community Development	-	-	-	-	83,937	23,000	60,937
Volunteer Resources	-	-	-	-	32,232	25,232	7,000
Cricket Pavilion	500,000	-	(949)	499,051	-	499,051	-
Cricket Pavilion - Club Contribution	126,200	127,246	-	253,446	-	253,446	-
<b>Recreation and Culture</b>							
Wetlands Rehabilitation	86,685	-	-	86,685	-	86,685	-
Water Quality Monitoring - SPG	74,600	-	(20,010)	54,590	-	54,590	-
Parks	182,400	-	(176,354)	6,046	-	6,046	-
<b>Transport &amp; Building</b>							
Newhaven Infrastructure - Stockland	3,114,300	-	(3,114,300)	-	-	-	-
Metropolitan Regional Road Grant - MRRG	421,059	-	(380,000)	41,059	-	41,059	-
Pathways - Bike Plan	174,988	-	-	174,988	-	174,988	-
Eighth Road Grant	-	-	-	-	1,411,900	599,626	812,274
Solar Panel Grant	-	-	-	-	537,500	67,681	469,819
<b>Total</b>	<b>4,729,687</b>	<b>280,331</b>	<b>(3,894,153)</b>	<b>1,115,865</b>	<b>2,145,569</b>	<b>1,831,404</b>	<b>1,430,030</b>

**33. FINANCIAL RATIOS**

	2021 Actual	2020 Actual	2019 Actual
Current Ratio	1.27	1.16	1.27
Asset Sustainability Ratio	0.48	0.46	0.56
Debt Service Cover Ratio	4.10	1.99	5.85
Operating Surplus Ratio	(0.06)	(0.05)	(0.04)
Own Source Revenue Coverage Ratio	0.89	0.88	0.90
Asset Consumption	0.74	0.75	0.76
Asset Renewal Funding	1.44	1.45	1.46

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	=	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



## 34. LEASES

(a) Lease Liabilities		2021	2020
		\$	\$
Current		1,287,948	1,607,546
Non-current		1,931,617	3,054,149
<b>Total</b>		<b>3,219,565</b>	<b>4,661,695</b>

(b) Movements in Carrying Amounts			
Purpose	Lease Number	Institution	
Guarancee	EBN0162050	MAIA Financial	
	EBN0162408	MAIA Financial	
	EBN0162386	MAIA Financial	
	EBN0162423	MAIA Financial	
	EBN0160522	MAIA Financial	
	EBN0162205	MAIA Financial	
	EBN0158684	MAIA Financial	
	EBN0157674	MAIA Financial	
	EBN0162298	MAIA Financial	
	EBN0162441	MAIA Financial	
Corporate Services	EBN0159126	MAIA Financial	
	EBN0161009	MAIA Financial	
	EBN0162109	MAIA Financial	
	EBN0162256	MAIA Financial	
	EBN0162033	MAIA Financial	
	EBN0161177	MAIA Financial	
	EBN0162826	MAIA Financial	
	EBN0158842	MAIA Financial	
	EBN0159135	MAIA Financial	
	EBN0159456	MAIA Financial	
Recreation and culture	EBN0159125	MAIA Financial	
	EBN0158226	MAIA Financial	
	EBN0162836	MAIA Financial	
	EBN0158594	MAIA Financial	
	EBN0158686	MAIA Financial	
	EBN0161137	MAIA Financial	
	EBN0157673	MAIA Financial	
	EBN0162255	MAIA Financial	
	EBN0159871	MAIA Financial	
	EBN0160884	MAIA Financial	
Transport	6307356	Gibbons Holden	
	904377	SG Fleet	
Other property and services			
Total			

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

### For the year ended 30 June 2021

#### 34(c) LEASES ( Continued)

##### Right of Use Assets

Movement in the carrying amounts of each class of right of use asset between the beginning and the end of the current financial year.

	Right of use assets Building	Right of use assets Plant & Equipment	Right of use assets Motor Vehicle	Right of use assets Total
	\$	\$	\$	\$
<b>Carrying amount at 30 June 2020</b>	-	-	-	-
Recognised on initial application of AASB 16	2,815,447	1,831,146	15,102	4,661,695
<b>Restated total equity at the beginning of the financial year</b>	<b>2,815,447</b>	<b>1,831,146</b>	<b>15,102</b>	<b>4,661,695</b>
Additions	-	9,891	-	9,891
Gains/(losses) from sale and leaseback transactions	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-
Revaluation (loss) / reversals transferred to profit or loss	-	-	-	-
Depreciation (expense)	(448,906)	(994,303)	(8,812)	(1,452,021)
<b>Carrying amount at 30 June 2021</b>	<b>2,366,541</b>	<b>846,734</b>	<b>6,290</b>	<b>3,219,565</b>
<b>Cash outflow from leases</b>				
Interest expense on lease liabilities	(66,632)	(46,499)	(531)	(113,662)
Lease principal expense	(448,906)	(994,303)	(8,812)	(1,452,021)
<b>Total cash outflow from leases</b>	<b>(515,538)</b>	<b>(1,040,802)</b>	<b>(9,343)</b>	<b>(1,565,683)</b>
<b>Other expenses and income relating to leases</b>				
Short-term lease payments recognised as expense	-	-	-	-
Low-value asset lease payments recognised as expense	-	-	-	-
Expenses for variable lease payment not recognised as a liability	-	-	-	-
Income from sub leasing right of use assets	-	-	-	-

##### SIGNIFICANT ACCOUNTING POLICIES

###### Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

Right of use assets are subsequently measured under the revaluation model as they relate to asset classes that are also revalued.

###### Leases (continued)

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right of use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right of use assets are secured over the asset being leased.

A scenic view of a forested hillside at sunset. The sky is a clear, pale blue, transitioning to a warm orange glow near the horizon. The hillside is covered in dense green trees, with some foliage in the foreground appearing slightly out of focus. A large, dark rock is visible in the bottom right corner. The overall atmosphere is peaceful and natural.

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We have a vision for the City of Armadale to have wide appeal to those who call it home, to those whose business is here, and to our wider community of visitors.

— Cr Ruth Butterfield, Mayor









CITY OF  Armadale

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