



# Contents

Mayor's Message	3
Report from CEO	4
Our Mission	5
Measuring Our Performance	6
The Year Ahead	14
National Competition Statement	15
Community Services Division	16
Engineering and Works Division	26
Planning and Development Division	35
Finance & Corporate Services Division	44
Annual Financial Statements	53



## MAYOR'S MESSAGE

I am pleased to provide this, my first annual report statement to the ratepayers and residents of the City of Cockburn. The year under review was certainly a memorable one in terms of community unrest and publicity for the City leading to an extraordinary election on 9 March 2009 where Lee-Anne Smith was elected as a councillor and myself as mayor.

That aside, the City has had an exciting period of growth in terms of projects being completed and others in various stages of planning and/or nearing completion. The Youth Centre located at Cockburn Central was opened in September 2008 and the Seniors Centre was being prepared for opening in August 2009. The 'Summer of Fun' continued to be an outstanding success with record numbers attending the concerts, Coogee Beach Festival, Hello Baby, Teddy Bears' Picnic and other events. The City's libraries also continued to provide an exciting range of activities for all ages with the school holiday activity programs a highlight.

It was also pleasing to see the continued number of residents deciding to become Australian citizens, adding to Cockburn's rich and diverse community.

The promotion and practical application of sustainability in our homes, workplaces, schools and the community remained a high priority with practical and innovative examples of protecting the environment and reducing our carbon footprint. The Pinikarri Community was awarded the City's inaugural Gold Sustainability Award in 2008.

The latter part of 2008 saw the world severely impacted by the fallout of the global downturn and Cockburn was no exception, in terms of reduced land sales, residential and commercial construction and the inevitable increase in unemployment. Prime Minister Kevin Rudd launched a Community Jobs Forum in Cockburn in April, a stark reminder that the south west metropolitan area of Perth was projected to be one of the worst-affected employment locations in Australia.

The issue of local government reform, including amalgamations, has emerged as a challenge. While Cockburn is sustainable in its own right, with the capacity to grow in terms of population, infrastructure and private and business development, it is still under the Government's microscope. A local government reform referendum in the October 2009 election will provide elected members with a guide to Cockburn's future direction.

In closing, may I thank the elected members, the executive group, other members of staff, our community, sporting and recreational organisations, our increasing number of volunteers and the community that is Cockburn for the achievements made throughout the year to ensure that Cockburn is the best place to live, work, recreate and invest in the Perth metropolitan area.

*Logan Howlett*

Logan K Howlett, JP  
MAYOR

## Report of the Chief Executive Officer

The 2008/09 financial year proved to be a difficult time for the world's economies. But it would be wrong to look back at this period with just a sense of gloom and doom. As we have seen, the Australian economy has weathered the financial storm in much better shape than most other nations. Likewise, the City of Cockburn has also come through this period in quite robust shape.

While the City did experience some downturn in our previously strong growth rate, the City's population has grown. There are now 85,000 residents that call Cockburn home, with recent population projections completed by the City showing this number will increase to 130,000 by 2030.

The downturn did see a contraction in employment opportunities within the City, but current data suggests our unemployment rate is now stable at 4.8%. This figure would still be an enviable one for many local or national governments and it is only 1.6% higher than the peak employment period of December 2008. More recent economic data suggests the new financial year will see the City's economy return to solid growth.

Through the year, the City has continued expanding its services and constructing or rebuilding community facilities. The Cockburn Youth Centre was opened in September 2008 and the Regional Sports Facilities at Hammond Road and Seniors Centre at Spearwood were commenced.

2009 has also seen the City approve construction of the Coolbellup Community Hub and Aubin Grove Sports and Recreation Centre. In addition, the City was successful in gaining a \$2M grant from the Federal Government, which will allow us to commence the long-awaited new Surf Life Saving Club and beach access node at Coogee.

Several major road projects were also completed during the year, which saw the opening of an extension of Spearwood Avenue through to Cockburn Road, the construction of a dual-carriageway at Russell Road and the commencement of an extension of Beelias Drive through to Stock Road. These projects not only make it easier for our residents to commute around the City, but equally assist business in the distribution of goods and services.

Considerable effort has also gone into the development of older parts of our City. The Phoenix Rise project, which focuses on the redevelopment of Spearwood and the Phoenix Park Shopping Centre, was endorsed by Council. While this project still has other planning hurdles to go through, it provides a "blueprint" for revitalising this important part of Cockburn.

Structure plans for the Watson's precinct, Muriel Court (Cockburn Central), the Cockburn Coast and many other residential areas were also adopted. New plans were also completed for the Australian Marine Complex which, in light of recent announcements about the Gorgon Gas development, will become pivotal to expanding our State's economy.

The City has a good track record of approving quality development, which has been recognised through state and national design awards. This year

was no different, with the Stockland development at North Coogee winning two state and one national award from the Urban Development Institute of Australia.

Many other initiatives were completed during the year to improve the liveability of our City. Our libraries introduced new technology to allow customers to self-issue their loans; the online planning system, which speeds up the planning approval process, went live; the Youth Centre commenced its operations; social services (such as financial counselling, family day care, etc) were increased; a record amount in grant funds was made available to community and sporting groups and we had the biggest attendances ever at our Summer of Fun events program.

Lastly, the Council has continued its focus on making Cockburn a more sustainable place to live. The inaugural Sustainability Awards were presented in September 2008, recognising the efforts of local businesses, community groups and individuals in making our City a better place to live. Improving the amenity and sustainability of Cockburn is something that the elected members and staff remain committed to – that's our job. For we still aim to achieve our mission and 'make the City the best place to live, work and visit in the Perth metropolitan area'.



Stephen Cain  
Chief Executive Officer

## Our Mission

Our mission is to make the City of Cockburn the most attractive place to live, work and visit in the Perth metropolitan area.

The Corporate Strategic Plan identifies seven Vision Statements, each of which has a set of complementary objectives for achieving our mission and have the most influence on steering our development through to 2018:

- D** Demographics Planning
- I** Infrastructure Development
- LI** Lifestyles and Aspirations Achievement
- G** Governance Excellence
- E** Employment and Economic Development
- N** Natural Environment Management
- T** Transport Optimisation

These factors take into account our planned population growth and the diverse social needs of our residents; the support required for the business community and growth of educational opportunities; a requirement to conserve and preserve our natural resources, while providing good community leadership and stewardship. These developmental factors were identified as being those that would most influence the development of the City and are included in Council's Plan for the Future of the District 2008 - 2018.

## Measuring Our Performance

Initiative Outcome	Service Commitments	Measures of Success															
Demographic Planning	To ensure the planning of the City is based on an approach that has the potential to achieve high levels of convenience and prosperity for its citizens. To ensure development will enhance the levels of amenity currently enjoyed by the community.	<p>Business Plan – Council will adopt an annual Business Plan. Adopted June 2009.</p> <p>Processing Times for Planning and Building - Average processing times for building and planning applications will be reported in the Annual Report against statutory and Council targets.</p> <table border="1"> <thead> <tr> <th></th> <th>ACTUAL</th> <th>TARGET</th> </tr> </thead> <tbody> <tr> <td>Planning</td> <td>29.3Days</td> <td>28 Days</td> </tr> <tr> <td>Building</td> <td>29 Days</td> <td>25 Days</td> </tr> </tbody> </table> <p>Demographic Data – The City will publish data on the annual growth rate and social composition of our Community in its Annual Report. See table Page 8.</p> <p>Ratepayer/Resident Satisfaction – Community satisfaction with Planning Services and Neighbourhood Amenity to be reported in the Annual Report and meet Council's targets.</p> <table border="1"> <thead> <tr> <th></th> <th>ACTUAL</th> <th>TARGET</th> </tr> </thead> <tbody> <tr> <td></td> <td>74%</td> <td>70%</td> </tr> </tbody> </table>		ACTUAL	TARGET	Planning	29.3Days	28 Days	Building	29 Days	25 Days		ACTUAL	TARGET		74%	70%
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Initiative Outcome	Service Commitments	Measures of Success																
Infrastructure Development	To construct and maintain community facilities that meet community needs. To construct and maintain parks and bushland reserves that are convenient and safe for public use, and do not compromise environmental management. To provide an appropriate range of recreation areas that meet the needs of all age groups within the community.	<p>Plan for the District – Adopted in June 2008. This Plan will be adopted by Council and updated every two years. [To meet the requirement of s5.56 of the Local Govt Act]</p> <p>Land and Investment Strategy – Annual activities to develop and expand the City's investment activities will be detailed in the Annual Business Plan. Noted in the Review of the Annual Business Plan 2008.</p> <p>Asset Management – Council adopted management policy May 2007 and provides details of projects, expenditure and targets in the Annual Business Plan.</p> <p>Customer Satisfaction – An annual survey of regular facility users will be undertaken to determine customer satisfaction.</p> <table border="1"> <tbody> <tr> <td>Festivals achieved</td> <td>83.0%</td> </tr> <tr> <td>Library Services</td> <td>98.0%</td> </tr> <tr> <td>Community facility hire &amp; booking service</td> <td>100.0%</td> </tr> <tr> <td>Sports field hire &amp; booking service</td> <td>77.0%</td> </tr> <tr> <td>Parks and Gardens</td> <td>82.0%</td> </tr> </tbody> </table> <p>Ratepayer/Resident Satisfaction – Community satisfaction with Recreation Facility development to be reported in the Annual Report and meet Council's targets.</p> <table border="1"> <thead> <tr> <th></th> <th>ACTUAL</th> <th>TARGET</th> </tr> </thead> <tbody> <tr> <td></td> <td>72%</td> <td>90%</td> </tr> </tbody> </table>	Festivals achieved	83.0%	Library Services	98.0%	Community facility hire & booking service	100.0%	Sports field hire & booking service	77.0%	Parks and Gardens	82.0%		ACTUAL	TARGET		72%	90%
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Initiative Outcome	Service Commitments	Measures of success
Employment and Economic Development	<p>To plan and promote economic development that encourages business opportunities within the City.</p> <p>To pursue high value employment opportunities for our residents.</p> <p>To encourage development of educational institutions that provides a range of learning opportunities for the community.</p>	<p>Economic Development Strategy – A strategy is to be adopted by Council and reviewed annually. To be considered in conjunction with South West Group Councils in 2009/10.</p> <p>Regional Economic Profile – The regional profile for the South West metropolitan area is to include comprehensive information on the City, updated annually and be available on-line. Information available on South West Group website: <a href="http://www.southwestgroup.com.au">www.southwestgroup.com.au</a></p> <p>Regional Forums – The major regional forums, WALGA South Metropolitan Zone, South West Group, Melville Cockburn Chamber of Commerce and South West Corridor Development and Employment Foundation are to be used to promote the City, its businesses and education opportunities.</p> <p>City of Cockburn is represented on each of these organisations.</p>

Initiative Outcome	Service Commitments										
Natural Environmental Management	<p>To conserve, preserve and where required, remediate the quality, extent and uniqueness of the natural environment that exists within the district.</p> <p>To ensure development of the district is undertaken in such a way that the balance between the natural and human environment is maintained.</p> <p>To manage the City's waste stream to achieve sustainable resource management, in an environmentally acceptable manner.</p>										
Measures of Success											
<p>Environmental Strategy – An Environmental Strategy is to be adopted by Council and include a five-year program of revegetation and other remediation works, with these to be reported annually in the Business Plan. To be considered 08-09.</p> <p>Contaminated Sites – A Contaminated Sites Management Strategy is to be adopted by Council and details of all contaminated sites within the City's boundaries reported publicly via a State Government website. To be considered 08-09.</p> <p>Sustainability Measures – The City will incorporate sustainability performance criteria into its decision-making processes. Policy adopted June, 2006.</p> <p>Coastal Management – Initiatives undertaken over the past year to aid in coastal management and understanding potential threats from climate change (including sea level rise) have included the undertaking of, or participation in:</p> <ul style="list-style-type: none"> <li>• Enhancement of our GIS mapping data with accurate LIDAR ground contour information, to assist with coastal mapping and management;</li> <li>• Extreme weather event sea level inundation analysis;</li> <li>• Project-related localised coastal vulnerability study;</li> <li>• A number of risk assessments and the development of action and adaptation plans by Council staff and externally with other officers (via a SMRC/NRM -funded project) of climate change threats, inc. coastal vulnerability;</li> <li>• Liaison with neighbouring Councils and other stakeholder agencies including CSMC and DPI on a shared vulnerability and risk assessment and adaptation plan study;</li> <li>• Active knowledge-gathering of latest science and initiatives by Federal, State, Local Government and other agencies and groups on coastal management science and initiatives;</li> <li>• Emphasis and comments on various planning studies and development proposals in regard to catering for potential climate change effects, including sea level rise.</li> </ul> <p>Waste Strategy – A Waste Management Strategy is to be adopted by Council and the diversion rate of household waste reported in the Annual Report. Completed June 2007.</p> <p>An annual survey of the community determined the following levels of satisfaction:</p> <table border="1"> <tr> <td>Rubbish collection</td> <td>90%</td> </tr> <tr> <td>Recycling services</td> <td>80%</td> </tr> </table> <p>Ratepayer/Resident satisfaction – Community satisfaction with Natural Environmental management to be reported in the Annual Report and meet Council's targets.</p> <table border="1"> <tr> <td></td> <td>ACTUAL</td> <td>TARGET</td> </tr> <tr> <td>Ratepayer/Resident satisfaction – Community satisfaction with Natural Environmental management to be reported in the Annual Report and meet Council's targets.</td> <td>76%</td> <td>80%</td> </tr> </table>		Rubbish collection	90%	Recycling services	80%		ACTUAL	TARGET	Ratepayer/Resident satisfaction – Community satisfaction with Natural Environmental management to be reported in the Annual Report and meet Council's targets.	76%	80%
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Initiative Outcome	Service Commitments	Measures of Success												
Transport Optimisation	<p>To ensure the City develops a transport network that provides maximum utility for its users, while minimising environmental and social impacts.</p> <p>To construct and maintain roads which are convenient and safe for vehicles, cyclists and pedestrians.</p> <p>To achieve provision of an effective public transport system that provides maximum amenity, connectivity and integration for the community.</p>	<p>Transport Network Model – Transport modelling will be undertaken every five years and reported to Council. This information will be used to update the Transport Plan in the Plan for the District. See plan for the district 2008-2018.</p> <p>Lobbying and External Funding – Targets for external funding for road construction are to be included in the Plan for the District, with the success of the City's lobbying efforts measured by the approved construction programs in the annual Business Plan. To be considered in 08-09.</p> <p>Ratepayer/Resident satisfaction – Community satisfaction with roads, footpaths and cycleway maintenance to be reported in the Annual Report and meet Council's targets.</p> <table border="1"> <thead> <tr> <th></th> <th>ACTUAL</th> <th>TARGET</th> </tr> </thead> <tbody> <tr> <td>Road Maintenance</td> <td>73%</td> <td>80%</td> </tr> <tr> <td>Footpaths</td> <td>75%</td> <td>80%</td> </tr> <tr> <td>Cycleways</td> <td>69%</td> <td>80%</td> </tr> </tbody> </table>		ACTUAL	TARGET	Road Maintenance	73%	80%	Footpaths	75%	80%	Cycleways	69%	80%
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## Demographic Data

Source – Australian Bureau of Statistics, 2006 Census:  
[www.abs.gov.au/websitedbs/d3310114.nsf/Home/census](http://www.abs.gov.au/websitedbs/d3310114.nsf/Home/census)

Person Characteristics	Cockburn	% of total persons
Total persons (excluding overseas visitors)	74,472	–
Males	37,052	49.8%
Females	37,420	50.2%
Aboriginal and Torres Strait Islanders)	1,256	1.7%

Age	Cockburn	% of total persons
Age Groups:		
0-4	5,222	7.0%
5-14	10,736	14.4%
15-24	10,430	14.0%
25-54	33,471	44.9%
55-64	7,119	9.6%
65 years and over	7,493	10.1%
Median age of persons	34	-

Selected Characteristics	Cockburn	% of total persons
Australian citizenship	63,325	85.0%
Persons born overseas	21,411	28.8%
Overseas visitors (excluded from all other classifications)	515	0.7%

Country of birth (Main responses in selected region)	Cockburn	% of total persons
Australia	47,950	64.4%
England	5,543	7.4%
Italy	1,679	2.3%
New Zealand	1,483	2.0%
Croatia	1,246	1.7%
Portugal	1,086	1.5%





# The Year Ahead

A 'Plan for the District' was adopted by Council in late June 2008 and identified major projects for 2008/09 and beyond. Council will continue to fund these services for the 2009/2010 financial year, with the following projects being of particular note:

- Significant expenditure will see the completion of work on sporting facilities (netball, tennis and playing fields) in Success.
- Design work will be undertaken for the construction of a library and civic facilities at Cockburn Gateway.
- Commencement of consolidation of a Community Hub in Coolbellup.
- Refurbishment of Civic Centre to a Seniors Centre.
- Completion of Spearwood Avenue (to Cockburn Road).
- Extension of Beeliar Drive to Stock Road.
- Construction of community/sporting facilities in Aubin Grove.

## National Competition Statement

### The Competition Policy Statement

The Competition Principles Agreement is an intergovernmental agreement between the Commonwealth and State/Territory governments that sets out how governments will apply National Competition Policy Principles to public sector organisations within their jurisdiction.

The State Government released a policy statement effective July 1996, called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 Policy document sets out nominated principles from the agreement that now applies to Local Government. The provisions of Clause 7 within the Competition Principles Agreement require Local Government to report annually on the implementation, application and effects of Competition Policy.

Competition Policy does not require contracting out or competitive tendering. It does not preclude local government from continuing to subsidise its significant business activities from general revenue, nor does it require privatisation of government functions. It does require local governments to identify their significant business activities and apply competitive disciplines to those businesses practices which compete with private business.

A number of the City's services are exempt from Competition Policy, as it applies only to business activities that generate income in excess of \$200,000 from fee revenue that is directly generated from external users. Activities undertaken by the City which have previously been considered for market testing, owing to the competitive nature of the service, are:

- South Lake Leisure Centre
- Waste Collection
- Waste Disposal Site

The City has resolved to retain the in-house provision of the leisure centre and its domestic waste collection. Council has awarded approximately 50% of its waste disposal site operation to the private sector.

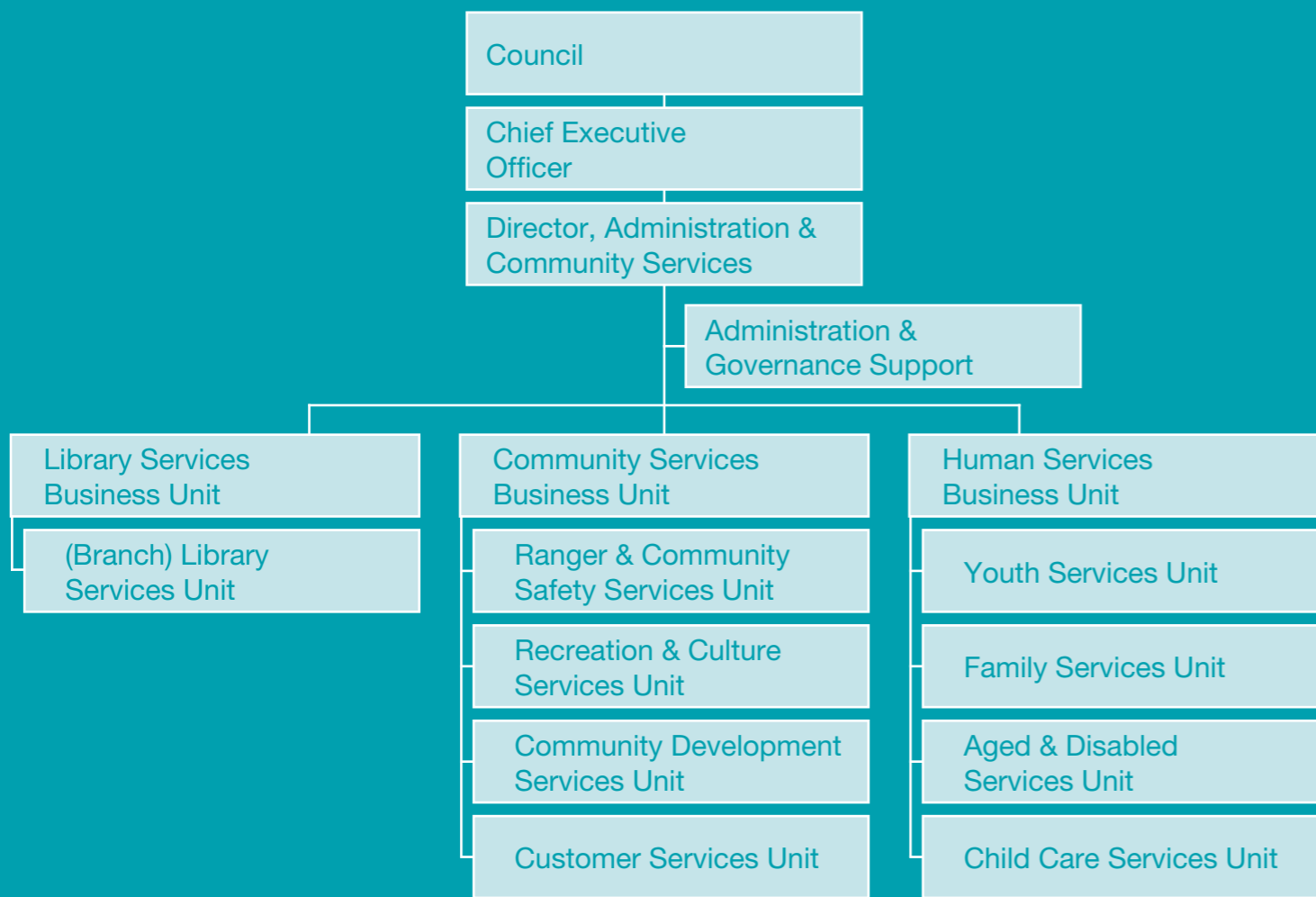
### Legislative Review

Under the Clause 7 Statement of the Competition Principles Agreement, local governments must review their Local Laws to ensure that they do not unnecessarily restrict competition.

Under the Clause 7 statement, a local government must ensure that its Local Laws do not unnecessarily restrict competition unless it can be demonstrated that:

- The benefits of the restriction outweigh the costs to the community; and
- The objective of the law can only be achieved through such a restriction.
- The City of Cockburn has completed a review of its Local Laws to ensure compliance with the National Competition Policy.

No complaints have been lodged pursuant to Sec. 5.121 of the Local Government Act during the year and accordingly no details are required to be entered into the complaints register established for this purpose.



## Community Services Division

### Recreation Services

The Recreation Services team has been busy developing a strategic plan that will provide direction to the City in matters relating to sport and recreation. The plan includes what is required in terms of capital expenditure to further enhance and develop sporting opportunities for Cockburn residents over the next 10 years. The plan will be presented to the Council for comment and adoption later in 2009.

Development of two new reserves and facilities has begun in the suburbs of Success and Aubin Grove. The Hammond Road Regional Sports Facility in Success will become a sporting hub for the region and will house sports such as netball, rugby union, touch rugby and athletics. The Aubin Grove clubrooms will provide local facilities to clubs including tee-ball and softball. Both projects are currently in the construction phase and on time for opening in early 2010.

Recreation Services also coordinates club development programs, aimed at assisting clubs at an operation level. The club development program includes facilitating a number of educational workshops and, to date, workshops have covered topics on planning, sponsorship, grants and website development. The City of Cockburn is excited about embarking on a new and exciting club development program in the coming year while partnerships with other local authorities and state sporting associations are also being explored.

### South Lake Leisure Centre

The centre exceeded 390,000 visits for the year and experienced strong growth in sports programs, with four full nights of sports.

This year, the South Lake Leisure Centre has focused on expanding the range of programs offered as part of its fitness class timetable. The current program sees 27 group fitness classes, 10 cycling classes and 16 aquarobic classes running every week. As a result, the membership at the South Lake Leisure Centre increased to more than 1200 members for the first time.

### Art and Culture

The City celebrated its Sister City relationship with Mobile in America with a visit to Cockburn by 30+ music students, teachers and parents from Murphy High School in October. The students worked closely with Hamilton Senior High School and performed at a series of venues during their stay, including a very memorable Spring Fair closing concert. The visitors also included two city councillors from Mobile who spent time learning about our City, strengthening links between the two cities. The City also sent local Aboriginal Elder and artist Noel Morrison to participate in the 25th anniversary Mobile International Festival in November.

Memorial Hall has been completed. Retractable seating and an exhibition hanging system has been installed, made possible by a Community Cultural and Arts Facility Fund received from the Department of Culture and the Arts. This has made the venue perfect for theatre productions and exhibitions. A successful Show Off 5, the City's premier exhibition, was held in the hall in May.

### Community Development

The Inspirational Volunteer Awards program attracted 58 nominations, with 394 guests attending a fire and fantasy picnic evening at Manning Park on 5th December, 2008.

The Grants and Donations program has introduced a sponsorship program to the bi-annual funding rounds, with seven successful sponsorships in 2008-09.

The Cockburn Community Group Insurance program has been expanded to assist new and emerging community groups with appropriate insurance cover.

A Cockburn Community Portal has been established – a new website enabling Cockburn groups to have a free website at [www.cockburncommunity.asn.au](http://www.cockburncommunity.asn.au).

Five Cockburn Volunteer Organisation Training Events for volunteers and volunteer organisations were hosted in the 12 months to 30th June 2009.

The Cockburn Community Development Group and Regional Parents Group continue to meet bi-monthly, with initiatives including:

- The *Community Bulletin* promoting community group meeting and events.
- The *Spotlight on our Schools*, enhancing school-community relations.
- The Very Important Volunteer Card program attracted more than 1800 volunteers in 2008-09.

### Aboriginal Community Development

A launch was held for the six banners designed by local Aboriginal artist Sharyn Egan and used to promote and identify Council's Aboriginal Reference Group. These banners have been put to good use at many events and forums.

The Aboriginal Community Development Officer had a presence at several community events, such as the Teddy Bears' Picnic and Hello Baby, encouraging the inclusion of Aboriginal families at community events.

Cockburn's Aboriginal Dance Group has started up again, with dance teacher Simon Stewart leading the group of children aged four up to teenagers. Dance classes are held weekly with parents providing a lot of support. They performed publicly at NAIDOC celebrations for the City of Cockburn and the City of Armadale.

Reconciliation Week was acknowledged with a Living Libraries event at Spearwood Library. The public were able to book sessions to sit down and "get to know" a local Aboriginal person. This was a successful activity and will be repeated at other times during the year.

The "Too Solid" Aboriginal Parenting Group has been operating out of Beeliar Community Centre, focusing on supporting and educating parents of young children.

The Aboriginal Community Development Officer is able to meet with Aboriginal residents who may require advice, information or support. The officer also organises the Aboriginal Reference Group meetings and welcomes interest from any indigenous people who would like to have input into this group or attend meetings.

### Disability Services

The City of Cockburn is committed to ensuring that Cockburn is an accessible and inclusive place for people with disabilities, their families and carers to live in. The City recognises that people with disabilities are valued members of the community who make a variety of contributions to local social, economic and cultural life.

The City has developed a Disability Access and Inclusion Plan (DAIP), a legislative requirement of the Disability Services Act (1993). The City of

Cockburn's DAIP 2007-2012 was endorsed by Council in July 2007 and has since been approved by the Disability Services Commission (DSC). In July each year, the City submits a progress report to the Disability Service's Commission on its achievements on the DAIP outcomes for the past year.

### Disability Access and Inclusion Plan

Over the past year, the City implemented the six desired outcomes of its DAIP across all service divisions to ensure that people with a disability will have equal access to its services, events, buildings, facilities and information. The DAIP also outlines strategies on how to be inclusive of people with disabilities, in regards to customer requests, complaints handling and public consultations.

The six DAIP outcome areas provide a framework for translating the principles and objectives of the Disability Services Act into tangible and achievable results:

#### Outcome 1

People with disabilities have opportunities to access the services of, and any event organised by, the City of Cockburn:

- The annual Celebrate Ability Day was held on 5th December 2008 at Manning Park to celebrate the International Day of People with a Disability.
- As part of the Summer of Fun events, the City trialled taxis for residents with a disability, unable to access transport independently. The response from this trial was very successful and will be incorporated into all future events at the City of Cockburn.
- The Lost Generation Project was a series of arts projects run by DADAA (Disability in the Arts, Disadvantage in the Arts) and the Disability Services Commission with the assistance of the local government authorities during 2008-09.
- The City, in partnership with employment agency South Metropolitan Personnel (SMP), has provided an ongoing opportunity for 19 young people with disabilities to be employed by the City in a supported team environment. The teams are an invaluable part of Executive Services and Parks and Gardens Services and have increased the visibility of people with varying abilities in the community and within the Council workforce.
- Cockburn Community Care, situated at the Jean Willis Centre in Hamilton Hill, delivers services to the frail-aged, young people with disabilities and their carers. In 2009, Cockburn Community Care received funding to upgrade facilities at the centre to create a more enjoyable environment.
- Child Care Services has access to inclusion support workers to assist children with disabilities to participate in after-school care and vacation care programs.
- Children's Services offers the Cockburn Early Years program, which provides parent support groups and in-home visiting for families with children aged 0-6 who live in the City of Cockburn. The service is able to provide support to families who have a child with a disability, whether learning, intellectual, developmental or physical.
- Cockburn Community Services manages a range of grants to support community activities.



- Youth Services provide the Youth Outrage School Holiday Program, which includes young people of varying abilities in recreational and social activities and opportunities. The Cockburn Youth Centre also offers inclusive after school arts and recreational-based programs for young people. The programs have been highly successful with great outcomes achieved creatively and socially. The Alternatives to Employment (ATE) series will continue to run during 2009-10 to enhance participation opportunities for all young people living in the City of Cockburn.

### Outcome 2

People with a disability have the same opportunities as other people to access the buildings and other facilities at the City of Cockburn:

- An Access Audit of the City's buildings and facilities, as well as parks and reserves, was completed in 2006. Most of the recommendations from the audit have now been implemented. The recommendations will be incorporated in the City's newly-established Property Management System.
- Building Services continue with an ongoing upgrade of buildings and facilities. This includes the modification of kerbs, footpath replacement and upgrades, installation of several ramps in various areas, adjustments of all hand rails in identified accessible toilets, re-markings of various access car parking bays and upgrades of signage, in particular entrance signage to buildings.
- The City continues to upgrade its facilities to ensure they are accessible to all members of the community. This included the installation of tactile ground surface indicators at the Spearwood library entrance and improvements to the signage at the library. As part of the construction of the Cockburn Seniors Centre, hand rails were replaced around the administration building, two new accessible parking bays were added, and a raised crossing installed in front of the centre.
- South Lake Leisure Centre is equipped with several facilities that increase access for people with disabilities. The entry of the building has a ramp and the swimming pool has a beach entry. The spa is also equipped with a hoist. A waterproof wheelchair has been provided through Youth Advisory Council fundraising.
- The Beach Trekker is a modified wheelchair made available to the public at the Coogee Beach Surf Lifesaving Club during the summer season. It can transport people with disabilities and the frail along the beach as well as into the water.
- The City, in partnership with Variety WA, installed a Liberty Swing as part of the Universal Playground at Manning Park in Hamilton Hill. The Liberty Swing enables children and adults who use a wheelchair to enjoy the use of a swing. The Universal Playground provides a place for socialising and fun for all children, enabling children with a disability to participate in more physical activities.
- ACROD parking bays at Phoenix Shopping Centre have a cooperative policing strategy in place, which was negotiated by the City and Phoenix Management.

### Outcome 3

People with a disability receive information from the City of Cockburn in a format that will

enable them to access the information as readily as other people are able to access it:

- The City provides printed material available to the public in alternative formats upon request. All publications, communications, events and promotions display the text "Information available in alternative formats upon request".
- The City's website displays the "International Access" symbol on the top right corner of the homepage, as a link to the information page on the services available from the Customer Contact Centre.
- The City has adopted a style guide for all staff to use which includes requirements on minimum font type, size and layout to improve accessibility.
- Library Services has a 10-year plan to develop an inclusive and accessible library environment. At present, all the City's libraries provide the following assistive technologies and materials – Zoom Text screen magnification; large character keyboards; Tracball mouse substitute; large print and talking books. Other services include a Home Library Service that delivers books and other materials on loan to readers who are housebound and a fortnightly bus that brings readers to the Success Library.
- Coolbellup Library includes an Adaptive Technology Centre, full wheelchair access and specific facilities for people with a disability. It provides a number of resources that can help people access a computer such as Kurzweil Omni that converts text to speech using a scanner, Starview magnification viewer and a speech synthesiser.
- A hearing loop system is available in the council chambers, function area and dining room. This system assists people using hearing aids to hear more clearly by cutting out background noise.
- Cockburn's Disability Reference Group has monthly meetings where information on services and upcoming events in the City and other disability agencies are disseminated for broader distribution across Cockburn.

### Outcome 4

People with a disability receive the same level of quality service from the staff of the City of Cockburn as other people do:

- The City has now employed a full-time Disability Access and Inclusion Officer. The officer will continue to work with Council and the community on disability-related matters, deliver disability awareness training to all City of Cockburn staff and monitor the implementation of the DAIP.
- The Human Resources Business Unit delivers an induction to all new staff which includes an outline of the City's commitment to improving services for people with disabilities by implementing its Disability Access and Inclusion Plan 2007-2011.
- Disability awareness training for the City's staff has been developed and delivered to 25% of staff up to July 2009. All staff at the City will receive the training within two years. The training is designed to provide information and knowledge to assist staff in understanding the needs and offering a more responsive service to people with a disability.

- Building Services continues to encourage their surveyors to attend training sessions from Department of Housing and Works (DHW) and Australian Institute of Building Surveyors (AIBS) to keep up-to-date with the Disability Access standards.
- Contractors who provide a service to the City that directly involves the public or facilities used by the public have to comply with the City's DAIP. Clauses about the DAIP are included in the contract documentation where appropriate. A DAIP Contractor Report is required for Request for Tender, Request for Quotations and Consultancy Agreements over \$50,000.

#### Outcome 5

People with a disability have the same opportunity as other people to make complaints to the City of Cockburn:

- The City's Customer Request System has been set up for officers to respond to complaints within seven days. Customer requests or complaints can be directed to the Customer Contact Centre on 9411 3444 or emailed through to [customer@cockburn.wa.gov.au](mailto:customer@cockburn.wa.gov.au).
- The National Relay Service (NRS) is a phone solution for people who are deaf or have a hearing or speech impairment which is available at the City. Customers can use the NRS if they have access to the internet or a special phone called a TTY. The City's Customer Contact Centre has NRS-trained staff familiar with the procedures of communication with the customer via a relay officer.
- Auslan signing interpreters who can assist people with a hearing impairment can be provided by the City upon request and prior arrangement.

#### Outcome 6

People with a disability have the same opportunity as other people to participate in public consultation by the City of Cockburn:

- Cockburn's Disability Reference Group (DRG) is facilitated by the City to give a voice to people with disabilities and make their needs known to Council. Membership is open to all residents and service providers in Cockburn.
- Representatives from the Disability Reference Group (DRG) currently sit on the City's Cockburn Community Development Group and Australand's Port Coogee People and Places Working Committee. Their role is to ensure that barriers to disability access and inclusion are addressed appropriately in future developments in Cockburn.
- The City's Disability Access and Inclusion Plan (DAIP) included extensive public consultation with the City's staff, Councillors, Disability Services Commission (DSC) staff, individuals and groups of people with a disability, DRG members, and clients from Cockburn Community Care.

- The DAIP is a public document, which is available on the City's website and in other formats, with feedback encouraged from the community.
- Planning and Development Services continue to conduct face-to-face individualised consultations with people who have a visual impairment upon the customer's request. The Integrated Local Area Planning (ILAP) community consultation workshops for two new subdivisions in the City also included people with disabilities.

## Family and Children's Services

### Children's Development

Annual meetings, such as the School Council Liaison Meeting, and ongoing network meetings (such as the South West Metro Children's Services Forum) continued to be run with a high level of participation. An Early Years network planning meeting was scheduled for August 2009 to discuss amalgamating the Children's Interest Group and local Early Years groups and collaborating with the Melville and Fremantle councils. The aim is to provide a forum to share information and plan future early years activities and programs.

Events held annually, such as the Teddy Bears' Picnic for toddlers and Hello Baby for babies, continue to attract enormous support from the community and service providers. The second Hello Baby event was held in March 2009, welcoming new babies into the Cockburn community. Parents were presented with an updated parenting calendar providing information about child development and resources for parents.

The Hello Baby parent database was also updated and is used to inform families of upcoming events, services and programs within the City of Cockburn. Cockburn Kids, an electronic newsletter, is sent out to these families once a term, and complement the ongoing dissemination of children and parenting-related information given to the public. The Atwell play club has slightly changed from a mainstream playgroup to include CALD families and families referred from the Early Years Program.

### Support Services

The Support Services Team is made up of the City of Cockburn's two Financial Counsellors and two Family Support Officers. The core business of the support service team is to provide counselling, information, advocacy, options and referrals to individuals living in the City of Cockburn.

As well as offering casework, in 08-09 the support services focused their broader activities to encompass a range of community groups. Events were organised around issues such as social inclusion, celebration of families, awareness of homelessness and poverty, and making a stand against domestic violence.

Other team initiatives were undertaken to meet the presenting needs of the community, including the Lifeskills program, mothers' groups minimising isolation, a dad's group, barbecue and a blanket, health and well-being programs and outreach to schools and community centres.

The support service team often works in collaboration with other community programs to maximise the potential of the projects.



### Child care services

**Family Day Care (FDC):** The relaxed, home environment of FDC is an ideal setting for early childhood learning. FDC providers care for a small group of children within the individual care provider's licensed home. Scheme staff recruit applicants, providing training, guidance and resources to FDC providers who have been carefully selected to provide home-based childcare in compliance with their Scheme Membership Agreement and the State Licensing requirements (Child Care Services Act and Regulations). The scheme covers a wide area both within and outside the City of Cockburn.

Fourteen new FDC providers have been recruited over 2008-09, which was almost balanced by an attrition of 12 care providers. Around 70 FDC providers care for approximately 1000 children each week. Preparations are well in hand for the next National Quality Accreditation process which will commence in October 2009. Previously, the scheme was assessed at "High Quality" in each of the 6 Areas of Quality set by the Commonwealth National Child Care Accreditation Council.

**Outside School Hours Care (OSHC):** The City of Cockburn has five State Licensed and Commonwealth Accredited Outside School Hours Care Centres which continue to operate at full capacity. The five Centres operate on a not-for-profit, fee-for-service basis as one Before School Care and five After School Care Programs, five Vacation Care Programs, with approximately 320 children in care when reviewed.

**In Home Child Care Program (IHC):** IHC is a not-for-profit Commonwealth Child Care Program which is provided to eligible families by an approved IHC provider in the child's family home. The Commonwealth partially funds the service to target families who are unable to access existing child care services. All families need to meet one of the following eligibility criteria to be able to access this program:

- The parent(s) work shift work or non standard hours.
- There is a child with illness or disability.
- One of the parents has an illness or disability that reduces the family's capacity to care for the child(ren).
- The parent(s) have three or more children not yet attending pre-school.
- The family lives in a rural or remote area.

The City of Cockburn has operated the IHC program since 2001 and the program continues to grow. At the end of June 2009, 28 IHC providers were operating with this service and more than 50 children per week were receiving care.

### Library Service

The Library Service has experienced a year of change and development. Planning continued for the Coolbellup Hub project to the point where building work is planned to begin in August 2009. The library's branding project moved into full swing with the main emphasis at Spearwood. Outreach and program participation levels for adults and children have been maintained or improved. The Home Library Service received 1313 visitors, children's activities had 5678 visits and adult programs had 2442 visits.

2008-09 also saw significant growth in activity, demonstrated by a 6.08% increase in loans, visits up 14.66% and new registered members up by 27.59%. The website was visited 118,369 times and registered memberships rose from 25,959 to 33,402. Technology and electronic applications play a vital part in improving and extending services and their delivery. A specific example is the successful embedding of a self-issue service at Spearwood and Success. By the year's end, overall use was running at about 60%.

The Spydus library management system was upgraded: the new version allowed for the integration of Web 2.0 features and social networking opportunities for communication.

### Cockburn Youth Services

#### Cockburn Youth Centre

The centre opened in September 2008 and caters for young people between the ages of 10 and 25. All programs, activities and events are supervised by qualified staff and programs and events are often run for specific age groups. Since opening, more than 900 young people have joined as members and up until 30th June, more than 6000 young people have attended programs, activities and events at the centre. The membership scheme will continue in 2009-10, entitling members to access Youth Centre programs at discounted rates and gain discounts from shops at Cockburn Gateway Shopping City. Some of the more popular programs at the centre have included art workshops, circus skills and guitar classes.

#### Young Parents' Group – NURTURE

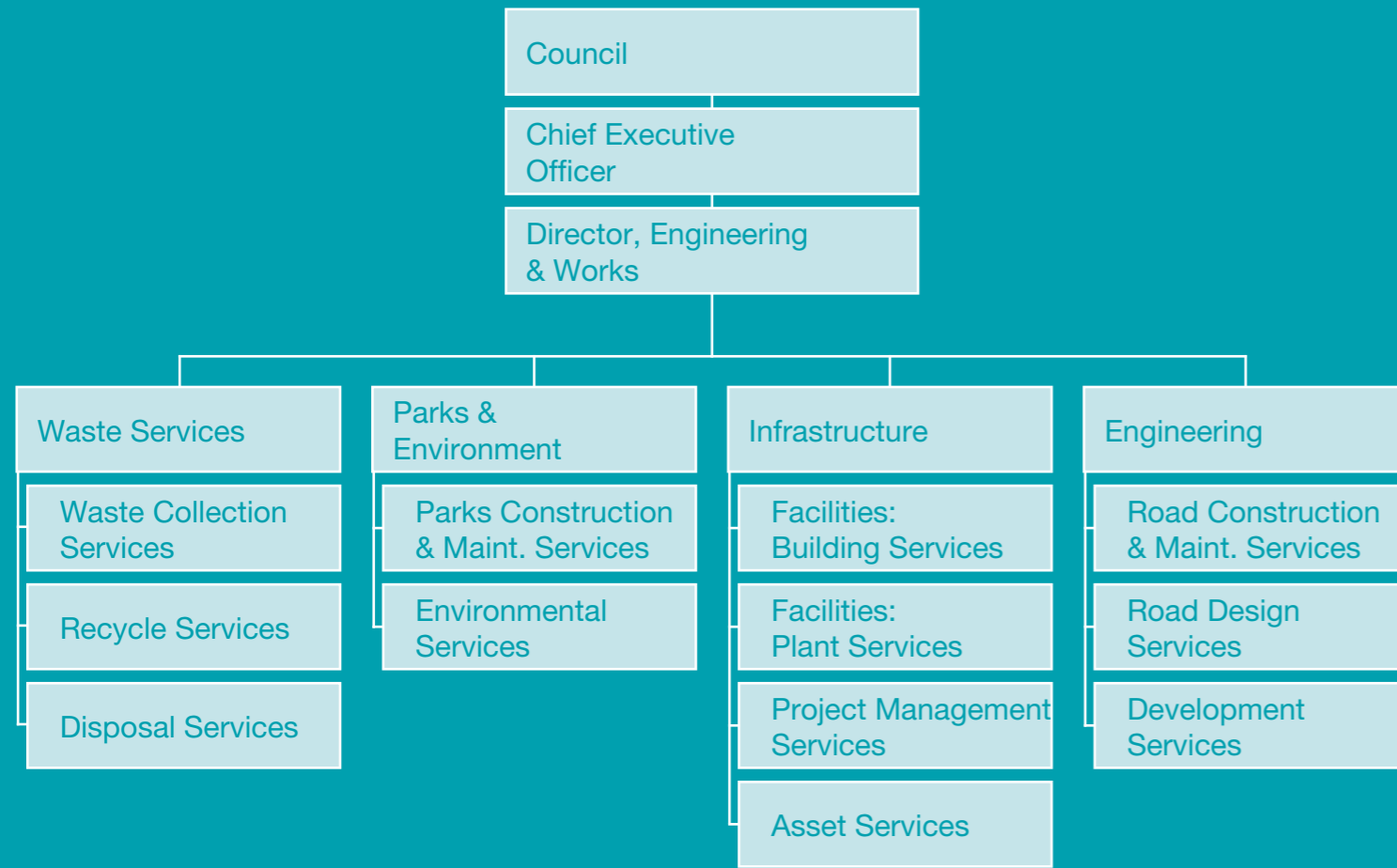
Nurture is for young parents up to the age of 25 either living in the City of Cockburn or who have a strong link to the City. The main focus is to provide isolated parents with a place to come and talk with their peers, have access to a youth worker and child health nurse, so they can learn how to interact with their babies through different play activities and go on outings.

#### Young Women's Group - SOUL:

The young women's group is about providing an opportunity for young women to learn healthy cooking, budgeting, go on recreational outings such as bowling, learn self-defence and participate in hair and make-up workshops, among others. The program rotates to a different Cockburn high school each term.

#### Case work

City of Cockburn Youth Services continues to be one of the Department for Communities' preferred service providers and, as such, receives funding for a full-time youth worker. The Department for Corrective Services also provides funding for a full-time youth worker. They work closely together to provide informal counselling, advocacy and information to young people between 10 and 18 and their families. The youth workers are also active in local schools, running SOUL, fishing programs and some health promotion groups.



## Engineering and Works Division

The Engineering and Works Directorate is responsible for delivering and maintaining a safe road system, developing and maintaining parks, and landscaping the natural environment for enjoyment of everyone, collecting and disposing waste from all properties in the district and providing and maintaining all buildings and other facilities on Council property for community use.

The Engineering and Works Directorate was directly responsible for the cash expenditure of approximately \$51.2 million, with some \$24.6 million provided from rates and reserve funds and \$26.6 million from State and Federal Grants, fees, charges and contributions.

The Directorate was very busy during the 2008-09 year, and was involved in maintaining and acquiring a wide range of significant and minor assets and projects throughout the district.

Asset Development	000s
Roads, Footpath & Drainage	6,927
Vested Subdivision Roads, Footpaths & Drainage	1,292
Contributed Assets Parks Infrastructure	2,805
Parks & Environment	2,394
Buildings	5,314
Landfill Site	312
Plant Maintenance	2,284
<b>Total</b>	<b>21,328</b>

Operational Activities	000s
Roads, Footpaths & Drainage Maintenance	4,372
Land Acquisition for Roads	4,458
Parks & Environment Maintenance	7,825
Waste Disposal	4,833
Waste Collection	7,048
Facilities Maintenance	3,206
Plant Maintenance	2,244
<b>Total</b>	<b>33,986</b>

### Engineering Services

#### Achievements

- Major pavement rehabilitation and resurfacing works were completed in Forrest Rd between Carrington St and Rockingham Rd, and in Mayor Rd between Rockingham Rd and Fawcett Rd.
- The construction of the Spearwood Ave extension from Hamilton Rd to Cockburn Rd was completed together with traffic signals at Cockburn Rd.
- The construction of the second carriageway of North Lake Rd between Discovery Dr and Bibra Dr was commenced with substantial earthworks.
- The realignment with a dual carriageway of Russell Rd between Ashendon Bld and Hammond Rd in Success was substantially completed.
- The extension of Beeliar Dr from Watson Rd to Stock Rd was substantially completed.
- The refurbishment of Forrest Rd between Stock Rd and Carrington St from four traffic lanes to two lanes was completed.

- Major road resurfacing works were completed in Acourt Rd and in Gerald St.
- Land acquisitions were completed to allow for the construction of Spearwood Ave between Barrington St and Sudlow Rd.
- The interpaved brick footpath in Longreach Pde was rehabilitated and relayed.
- A major street lighting installation was substantially completed in Hammond Rd between Beeliar Dr and Wentworth Pde.
- Stormwater soakage sumps in Joyce St and Mortlock St were re-fenced and landscaped.
- The open groundwater stormwater drain in Beenyup Rd was piped and re-graded in sections to improve access to properties.
- A major study of the City's stormwater management and disposal network was completed to identify rationalisation and system improvement opportunities, and climate change implications.
- Bicycle symbol line markings were completed on priority cycling routes in Hammond Rd and Berrigan Dr.
- A major review of the Cockburn Bike Plan was completed and incorporated a Strategic Pedestrian Footpath Network.

### Infrastructure Services

#### Achievements

In the Project Services area, in conjunction with Community Services, the following was achieved:

- Completion of the new Cockburn Youth Centre at Success with the facility officially opening on 12th September 2008.
- Completion of the conversion of the Spearwood Civic Centre to the new Cockburn Seniors Centre, ahead of the official opening in July 2009.
- Finalisation of the design and advertising the tender for the construction of the refurbished and extended Coolbellup Community Facilities on Cordelia Avenue, Coolbellup.
- Development, ahead of construction, of the first stage of civil works for the new Integrated Community Facility at Poore Grove, Coogee Beach, which will create an improved access node to the beach and, in due course, house a new Coogee Beach Surf Lifesaving Clubhouse and kiosk.
- Major progress on construction of the new Regional Sports Facilities on Hammond Road in Success.

Other project works undertaken include completion of the first stage of corrosion protection of the Coogee Beach jetty, concept development for an upgraded operations centre at Bibra Lake and the undertaking of various other public building and facility upgrade and preservation works.

In the Asset Services area, ongoing implementation of Council's Asset Management Strategy, has included:

- Configuring the newly-acquired Technology One Works and Assets management software.
- Asset data collection and configuration; and
- Development of Asset Management Plans for a number of our asset groups.

In the Plant area, further development and implementation of Council's new and replacement plant program, including targetting improved efficiency and environmental footprint outcomes. Specific outcomes for the year included:

- In the major plant area, taking receipt of three replacement waste collection trucks (ordered 2007-08) and purchase of two new waste collection trucks, three replacement tip trucks, a replacement Flocon road maintenance truck, a new front-end loader and a new community services bus for the Cockburn Seniors Centre.
- Purchase of 17 new and replacement cars, vans and utilities, including Council's first hybrid vehicle, for the light fleet.
- Trialling of vehicle-mounted GPS equipment in a number of waste collection and parks vehicles, for vehicle-use optimisation.
- Installation of an improved depot fuel dispatch monitoring system and controls.

### Waste Services

- The Transfer Station at the Henderson Waste Recovery Park (HWRP) was opened on 4th August 2008.
- The HWRP was assessed and issued with a three-year licence and its Class III status was reinstated in April 2009.
- In November 2008 the City took delivery of a 15-tonne Volvo articulated-wheeled loader at the HWRP.
- In December 2008 the new amenities and ablution facilities were completed.
- The perimeter fencing for the entire HWRP was completed in January 2009.
- An onsite 30,000-litre fuel storage tank was installed at the HWRP to reduce fuel costs at the site.
- The main building, which will become the Recycle Shop, was completed in June 2008, and staff are already stockpiling product in anticipation of the opening in August.
- A program to upgrade the groundwater monitoring capability at the HWRP was commenced in February 2009.
- The City of Cockburn joined the DrumMuster program based at the HWRP.
- A Site Master Plan was completed for the HWRP by IW Projects to analyse the options for future planning on the site.

- A submission to redefine the Latitude 32 zoning for Resource Recovery in and around the HWRP was accepted by LandCorp.
- A report was commissioned to study the City's opportunities and liabilities under the Commonwealth Government's Emissions Trading Scheme in owning and operating a landfill.
- A submission was made to the Parliamentary Standing Committee Inquiry into municipal waste in WA.
- Detailed statistical analysis of our waste collection data was undertaken to support the need to amend the collection rounds.
- In July 2008 the City took delivery of three new waste collection vehicles which had been on order since November 2007.
- A "Draft Policy for Waste Minimisation, Storage and Collection in Multi Unit Developments" was developed to cater for the high-density development planned for the City.
- All waste drivers completed a safe driving course in March 2009.

### Parks and Environment

Park and reserve creation and maintenance is managed by a diverse team of professionals specialising in sports ground, park, streetscape, urban space, foreshore, bushland and wetland systems. A wide range of projects have seen the progression of staged enhancements and new developments for community use.

#### Park Construction

The Parks Services team assisted in the planning and creation of new parks, with notable mention going to:

- The fourth year of public domain improvements to the joint Department for Housing and Works and City of Cockburn Phoenix Rise, Southwell project, Hamilton Hill.
- Monitoring of ground water use and upgrading of irrigation systems in accordance with the City's Water Management Plan, continues to demonstrate the City's best practice turf management.

#### Bushland and Wetland Management

Environmental Services has responsibility for 83 reserves comprising 1085.2 hectares across the city. Of this, 30 reserves are actively managed which constitutes 927 hectares. Management of reserves involves a broad range of activities including weed control, repairs, assessments and installation of infrastructure.

Reserves are prioritised so to ensure that resources are allocated in a strategic manner and value maximised. Criteria for prioritisation include vegetation condition, rarity, ecological connectivity and visibility.

Several reserves have been identified as containing threatened flora and threatened ecological communities (TECs) including the Dwarf Bee Orchid and the Glossy-leaved orchid which are listed under the *Environmental Protection and Biodiversity Conservation (EPBC) Act 1999 (Ecologia 2005)*.

#### Vegetation and Weed mapping

To assist in developing measurable outcomes for managing reserves, vegetation condition and weed mapping has been conducted. This allows Environmental Services staff to determine where to focus revegetation activities and also manage major weed infestations. As there is significant costs associated with weed control, this tool allows a targeted approach that will reduce costs of managing sites over time.

21 reserves were mapped in 2008, covering 193 hectares. 21 reserves were weed mapped, covering 401.98 hectares.

#### Revegetation program

As part of the city's commitment to protect and enhance natural areas within the city, several revegetation projects conducted at different sites were undertaken in 2008. 17 reserves were selected. 41,610 plants were planted and the overall survival rate at the end of the season was 66%.

#### Volunteers and community events

732 volunteers attended 28 community events throughout 2008-09. This volunteer contribution contributes a value of more than \$100,000 in labour.

#### Dieback

- The city hosted the WA Project Dieback Standard Dieback Sign Launch on 4 June – with the Project Dieback Steering Committee.
- Installed signage at appropriate dieback-infested reserves for management of the site and education.
- Mapped and interpreted suspect section of Bibra Lake and Berrigan Drive Bushland. Subsequent treatment was delivered at Berrigan Drive Bushland but none was required at Bibra Lake.

#### Midge Monitoring

- The City undertook continuous monitoring of 10 wetlands and four constructed water bodies, as part of its comprehensive midge and water quality management program.
- Very limited midge complaints were lodged for 2008-09 period.
- There has not been any requirement to undertake midge control spraying at any of the wetlands.

#### Landowner Biodiversity Conservation Grants

- More than \$20,000 was distributed to rural land owners.
- Two successful workshops – seed propagation and dieback treatment – with more than 20 local residents attending each of these.
- 17 local rural, rural living and resource zone residents were successful in gaining grants.

### Environmental Education/Community Events

- Finalist in WA Premier's Awards
- Delivered activities to schools – incursions and excursions
- Facilitated tours to the RRRC for schools and community and staff
- Hosted three Great Gardens Workshops
- 1 x LivingSmart – Staff
- 1 x LivingSmart – Community
- 10+ Multiple Revegetation for Habitat Creation Community Plantings
- Delivered Get Wild About Wetlands Program (school holidays)
- World Environment Day Schools festival to 6 local primary schools

### Emissions Reductions

The Council is continuing with the implementation of measures to reduce greenhouse emissions within the organisation and the district. To this end, in the past financial year the City:

- Completed the 2007-08 inventory of Council energy consumption and carbon emissions throughout all operations. Council emissions have reduced. Community emissions have risen.
- Identified a number of suitable sites for installation of photovoltaic cells. The site chosen was the Cockburn Youth Centre and the cells have now been installed.
- Committed to purchase 100% greenpower for all facilities and 50% on main street light account.
- Council has committed to the ICLEI Water Campaign and priority areas where water use can be reduced are currently being identified.
- Also began the SMRC ClimateWise program “Fostering Sustainable Energy Practices at Home” which has involved providing residents with energy reduction information and energy audits.
- SMRC councils undertook a regional climate change risk assessment with the report released late 2008-09 and an action plan to follow in 2009-10.
- Council offset 1000 tonnes of greenhouse gas emissions using Greenhouse Friendly accredited offsets.
- Retrofitted the lighting in the east wing of the Spearwood Library to be more energy-efficient.

### SMRC ClimateWise Achievements 2008/09

ClimateWise is a collaborative initiative of the Cities of Canning, Cockburn, Fremantle and Rockingham and Towns of East Fremantle and Kwinana at the Southern Metropolitan Regional Council to help the community respond to climate change. The project focuses on households and small to medium-size businesses and provides advice to reduce their energy use, water use, and improve waste recycling through sustainable and innovative practices and technology.

Our project approach is to:

- Seek effective partnerships with universities, associations and government;
- Research community needs and opinions;
- Develop and pilot programs that can deliver a practical and valued service; and
- Measure the project's effectiveness.

Below are the achievements of the ClimateWise and the broader SMRC group in relation to Cockburn Council for 2008-09.

Waste recovery and recycling through SMRC by Cockburn				
Months	Waste diverted from landfill (tonnes)			
	MSW	Recycling		Green Waste
		Total	Paper products	
Jul-08	1,976	786	573	661
Aug-08	1,912	742	544	118
Sep-08	1,271	364	283	96
Oct-08	1,995	0	0	114
Nov-08	2,107	0	0	511
Dec-08	2,188	898	523	118
Jan-09	2,340	884	659	20
Feb-09	2,105	712	451	45
Mar-09	1,760	824	480	77
Apr-09	2,149	817	448	0
May-09	1,749	765	421	0
Jun-09	1,975	0	0	0
<b>Total 2008-09</b>	<b>23,527</b>	<b>6,791</b>	<b>4,382</b>	<b>1,761</b>
Emission factor (tCO <sub>2</sub> -e/tonnes of waste)	0.94		2.5	1.3
GHG saving (tCO <sub>2</sub> e)	22,116		10,954	2,289
<b>Total GHG saving (tCO<sub>2</sub>-e)</b>				<b>35,359</b>

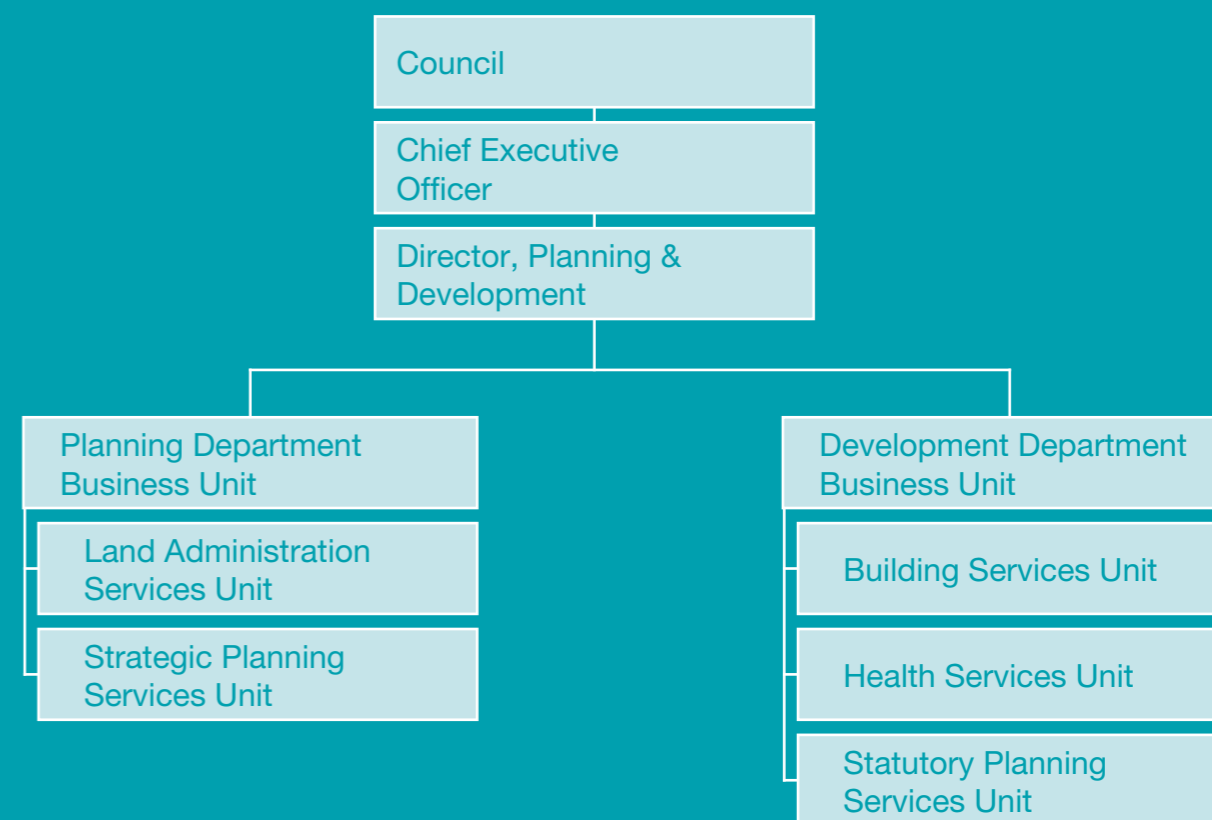
Community engagement (direct and indirect)	
Projects/activity	Cockburn
Energy audits - households	27
Energy actions flyers to households	33
Living Smart	25
People indirectly informed by the LS participants*	235
Households advised on rooftop PV	2
TOTAL	476

Greenhouse Gas (tCO2-e) Emission Abatement (direct and indirect)	
Projects/activity	Cockburn
Energy audits - households	135
Energy actions flyers to households	36
Living Smart	175
People indirectly informed by the LS participants	388
Households advised on rooftop PV	17
TOTAL	751

### Sustainability

The City is committed to Sustainability. 2009 saw the development of a number of initiatives including:

- Calling for submissions to the second annual 'A Better Tomorrow' Sustainability Awards.
- Developing a sustainability reporting framework for integration across all the City's operations, plans and strategies.
- Development and distribution of a 'Building a Sustainable House in the City of Cockburn' brochure, which is sent to all vacant lot owners in the City.
- Integrating sustainability into the Corporate Strategic Plan.
- An interdepartmental initiative, which introduced a Staff Bicycle Fleet, from bikes drawn from the Henderson Waste Recovery Park, in conjunction with health promotion and Recreation Services.
- Staff and community RRRC tours.
- Annual Living Smart Course for staff and community.
- Developing key performance indicators for sustainability.
- Partnering with Cockburn Financial Counselling to deliver sustainability to residents.



## Planning and Development Division

### Environmental Health Services

The City's Health Services Unit has continued to develop strategic initiatives for the Cockburn community in partnership with the South Metropolitan Public Health Unit. Significant attention is being given to work with the WA Department of Health to address the epidemic of lifestyle diseases including obesity, heart disease and diabetes.

#### Healthy Lifestyle Programs

##### Smoking

The City developed two policies aimed at reducing the number of smokers and reducing residents' exposure to passive smoke in public places. In 2008-09 the City won the Heart Foundation Award for the best tobacco-related project in WA. The Smoke Free Environment Policy is one the most comprehensive policies to be adopted by a local council in WA and is almost entirely mirrored in the new State smoking legislation.

#### Physical Activity and TravelSmart

Using funds in partnership with the WA Department for Planning and Infrastructure the Be Active Cockburn Physical Activity program has been expanded into a three-year

TravelSmart program. The TravelSmart program aims to reduce single occupant vehicle use through promotion of both active and public transport. Displays promoting the benefits of regular physical activity have been seen regularly in shopping centres, libraries and City of Cockburn events. Similar promotional information has been delivered through the city's new Be Active Cockburn web site ([www.beactivecockburn.wa.gov.au](http://www.beactivecockburn.wa.gov.au)) and via the quarterly newsletter.

Volunteer walk leaders have continued to run the Heart Foundation Walking and other walking groups. Two new groups also began in this period, including a pram mall walking group at Cockburn Gateway Shopping City and a group that welcomes wheelchairs as well as walkers. More than 500 pedometers were loaned from the libraries in the free pedometer loan scheme in the 2008-09 period. A successful joint Heart Foundation Walking event was held in partnership with the City of Fremantle to promote Walk Week in November. Attention is being given to the improvement of bike and footpaths and walking trails throughout the city. A booklet of walk trail maps, *Walking in the City of Cockburn*, was produced and distributed through schools, libraries, walking groups and community events. Signage has begun to be installed on some of the walks. A survey relating to physical activity was conducted through *Cockburn Soundings* and information gathered from the community is being used to help with future planning.

#### Industrial Premises Program

Partnering with and using funds from the Perth NRM Region (formerly the Swan Catchment Council), this new program started in April 2008 and involves audits of all industrial premises in the City. Starting with 70 premises in the Cockburn Central and Cutler Road area, our Industrial Premises Officer is ensuring that all sites comply with a wide range of minimum standards. Illegal activities such as sand blasting and/or spray painting in open yards, unauthorised wash down areas, pollution of stormwater, inadequate paving and draining of yards, poor housekeeping, and nuisances are being targeted for early compliance. Industry operators are being provided with assistance relating to sustainability including recycling, cleaner production, and preparation for climate change. In 2008-09, about 330 inspections were conducted across 225 premises and, of these, 34% were found to be non-compliant with minimum standards.

#### Contaminated Sites

The City's Contaminated Sites strategy for council-owned properties was adopted in February 2008. Like many other councils in Perth, most of these properties are old waste disposal sites that remain as recreation reserves with no immediate threat to health. All potential contaminated sites owned or vested in the City have been reported to the Department of Environment and we are progressing with detailed inspections of these sites.

#### Food

The City is preparing for the introduction of the new Food Act and Regulations which will see food hygiene legislation applied nationally for the first time. Assistance will be given to operators of food premises to ensure the transition from the old Food Hygiene Regulations is as smooth as possible.

#### Dust Management

A substantial dust management program of windfencing and soil stabilisation is under way on all yet-to-be-developed sites at Cockburn Central.

Dust management practices within Cockburn Commercial Park have improved over the past summer season with most undeveloped property owners responding to Health Services' requests for soil stabilisation prior to the inevitable southwesterly associated with this period. It has been requested that all properties in the process of construction erect windfencing to limit dust release and this has now been adopted by most owners as standard procedure. Overall, submitted Dust Management Plans relating to subdivisional work have been of increasing quality and, for the most part, contractors are more aware of their obligations.

#### Enforcement/compliance action

Legal action was taken against several food premises for failing to pay their annual licence fees, and against one substandard food premises (fined \$7300). Two industrial premises were fined \$250 each for causing unauthorised discharge of paint overspray and liquid waste. Dust complaints resulted in five infringement penalties of \$250 each, and one person was fined \$250 for causing excessive noise.

#### Building Services

An anticipated downturn in the construction sector did occur but only for a short period until the Federal Government's increased First Home Owner's Grant (FHOG) took effect. The City issued 2775 building licences for the year, down 11.7% on the previous year. However, the number of building applications received in the same period was 3021; this is comparable with 2007-08. This result demonstrates the effect of the Federal stimulus (FHOG) from about the middle of the financial year and the build-up of applications within the approval process at the end of the financial year.

The value of estimated works issued with a building licence was \$474 million, which is an 11.7% reduction in value of approved building licences compared to 2007-08. However, the value of estimated works in building applications received in the same period was \$520 million which is commensurate with 2007-08 and demonstrates only a minor fall in estimated value of works.

In view of current world financial conditions, it was difficult to determine which direction the building industry will take in the short term after the staged reduction of the FHOG, at the end of September 2009 and December 2009. Cautious optimism will likely be exercised based on Western Australia's unique position in the world, as a key resource/mineral producer, and the continued

immigration of people to Western Australia. This scenario will likely underpin steady growth, which should result in building application numbers being commensurate with the past five years, as we move into the future

Building approvals 2008/2009 are as follows, as compared with the previous five years:

Year Ending	Permits	Value \$	Fee \$	Residential	Commercial	Industrial	Other ancillary buildings
30/6/04	3070	206.5m	714,000	1262	93	11	1705
30/6/05	3069	245m	813,000	1227	84	9	1749
30/6/06	3172	322.5m	1.2m	1172	115	3	1882
30/6/07	3226	540m	1.525m	1161	199	5	1871
30/6/08	3046	537m	1.646m	1068	268	5	1705
30/06/09	2776	474m	1.432m	1021	188	5	1562

#### Electronic Lodgment System (ELS)

The City issued 263 building licence approvals for single residential dwellings online in 2008-09, an increase of 20% over the previous year. Further enhancements were made to the system to enhance soft copy document handling and tracking.

#### Built Strata Title Applications

During the year, the Building Service issued 62 built strata title approvals. Further work was undertaken to enhance the strata process with emphasis on providing more clear and timely notification of all parties relevant to the application. Process changes were also made to facilitate new legislative powers delegated to local government from the Western Australian Planning Commission.

#### Other Approvals

A total of 49 demolition licences were issued in 2008-09.

A total of 35 sign licences were issued in 2008-09.

#### Private Swimming Pool Inspection Program

The mandatory private swimming pool inspection program continued in 2008-09. The number of registered pools and spas within the City increased by 327 to an end-of-year total of 5081 – an increase of 6.9%. A total of 24 pools and spas were removed in 2009. A total of 1358 swimming pool inspections were undertaken throughout the year.

#### Planning Services

The City's Statutory Planning team is primarily responsible for the assessment and determination of development applications. The team also provides recommendations to the Western Australian Planning Commission in regard to the subdivision of land.

For the 2008-09 financial year, the City received 1083 development applications. This follows the receipt of a similar number of development applications for the 2007-08

financial year, corresponding directly with the strength of Perth's property market. Significantly, the City's statutory team provided a very high level of service during this period. The average processing time for applications was 29.3 days, an excellent result noting the 60-day statutory timeframe most local authorities endeavour to achieve.

The statutory team is also responsible for the preparation of zoning statements. Zoning statements provide comprehensive information relative to a particular property. Typically prepared for settlement agents, these statements form part of the information made available to purchasers as part of the property sales process. The City provided 2645 zoning statements for the 2008-09 financial year. This was marginally more than for the 2007-08 financial year, relating again to the strength of the Perth property market at the time.

Significant proposals assessed and determined by the team across 2008-09 included large multiple dwelling and mixed-use buildings in the Port Coogee and Cockburn Central project areas. In a concerted effort to ensure high quality outcomes, each of these proposals was subject to an engaging and rigorous pre-lodgment meeting process. Investing time in a collaborative manner at the "front-end" of the development process ensured minimal delays following the receipt of an application.

The City's Statutory Planning team continues to promote pre-application engagement at the commencement of the development process, firmly believing this represents the foundation to achieving quality proposals that meet the City's objectives.

#### Online Lodgment (Master Plan)

Stages 2 and 3 of the City's progress toward electronic automation of the planning process have been completed. These stages are known as **Enquirer** and **Applicant**.

Enquirer provides planning information to an external user based on the user's property details and intended use and/or development of a property. The delivery of site-specific development control information via Enquirer provides the basis for the preparation of more accurate development applications for receipt and assessment by the City.

Applicant provides users with a pre-populated electronic lodgment environment – and the capacity to include all relevant planning controls (and conditions) applicable to a particular type of proposed development. The controls, generated in the Enquirer environment, are intended to ensure complete applications are lodged by applicants.

The final stage in the preparation of the City's Online Lodgment capabilities is **Assessor**. Assessor will be tested by planning officers in October 2009. When implemented, Assessor will enable planning officers to assess and determine applications electronically. Benefits will include: a higher degree of consistency in the assessment of "like" applications and greater efficiencies in the approval process. Where an application is to be determined by the Council, Assessor will produce a populated report for completion by the Planning Officer.

During the year, the Strategic Planning and Land Administration Division processed a number of Scheme amendments and Structure Plans, with these laying the strong foundation for the continued sustainable development of the City. These covered the full range of land-use types, from residential through to commercial, industrial and

conservation/recreation purposes. In conjunction with this, the Division continued to progress its other major strategic planning activities, with these maintaining the City as a leader in strategic planning within the metropolitan region. The following lists some of the major highlights which were achieved during the year:

### *Structure Plans*

**Modifications to Cell 9 Yangebup Structure Plan** – This was a very important structure plan modification to achieve approval for, on the basis of its link back to the Phoenix Central Revitalisation Strategy. The approved modification now facilitates the relocation of Cockburn Bowling Club from City-owned land within the Phoenix Town Centre to Visko Park, Yangebup. This will enable the City to progress its objectives for the redevelopment of the Phoenix Town Centre into an activity centre precinct, with both diversity and density added through the development of City and privately-owned land. This will eventually form part of the heart to the Phoenix Town Centre, reinforcing the comprehensive urban renewal and civic expansion taking place within the suburbs of Spearwood and Hamilton Hill.

**Muriel Court Structure Plan** – Council approved the Muriel Court Structure Plan, which aims to facilitate transformation of the Muriel Court area from an underdeveloped rural precinct into a fully-integrated transit-orientated designed community. This is designed to take advantage of the Cockburn Train Station and Town Centre activity precinct, utilising the significant State Government investment which has been provided through the railway and station infrastructure. The City has taken a lead role in this project, recognising that the highly fragmented nature of the land (some 96 different landholdings) would make it impossible for individual landowners to prepare a comprehensive proposal which met the City's expectation for this strategic locality.

**Wattleup Road/Hammond Park Locality Structure Plans** – Council approved various local structure plans for residential development, coinciding with the Southern Suburbs District Structure Plan Stage 3 area. This opens up the land south of Gaebler Road to urban development, taking advantage of the rolling urban front which now extends throughout the northern half of Hammond Park. This will secure an important supply of residential land for the City moving forward.

### *Scheme Amendments*

**Scheme Amendment No. 27** – Council granted final approval to this amendment, covering the landholding bound by Imlah Court, Prinsep Road and the Kwinana Freeway. Associated with this was the preparation and approval of a structure plan, recognising that there needed to be clear direction given in terms of how this land would develop once new zonings had been instigated via the Scheme amendment. Both the Scheme amendment and structure plan have responded to the constraints associated with the land, and have been able to achieve an appropriate balance between responding to such constraints and facilitating development.

**Scheme Amendment No. 63** – Council granted final approval to this amendment in order to facilitate development of the former AMCOR paper milling site into a high quality industrial park. This will be based on the model of development taking place within Cockburn Commercial Park, allowing for a mixture of lot sizes and built-form products

in order to sustain a variety of industrial businesses. The subdivision of this land is now underway, with this directly facilitated through adoption of the amendment by Council.

**Scheme Amendment No. 65** – Council also granted final approval to this amendment, covering the landholdings of Lots 453 and 454 Macquarie Boulevard, Hammond Park. This modified the Scheme Text provisions for the development of the neighbourhood centre on the land, so as to provide greater flexibility in terms of building location, building frontage and building form requirements.

### *Cockburn Coast Redevelopment*

The City provided a comprehensive response to the Draft Cockburn Coast District Structure Plan, with this endorsed by Council. This submission raised a number of points, the first and foremost being that the Draft District Structure Plan was long overdue recognising the primacy of this land for higher development than industry. The submission raised issues relating to:

- Public transport linkages and options;
- Vehicle and cycle accessibility;
- The current status, ownership and future of the former power station;
- The cost and feasibility of relocating the switchyard and undergrounding the high voltage powerlines;
- Loss of affordable holiday accommodation and affordability generally;
- Height of buildings;
- Environmental impacts on the coastal area and Manning Park.

The Draft District Structure Plan has now been formally approved by the WAPC, with a number of modifications affected based on the City's and other submissions received during advertising.

### *Draft Perth Coastal Planning Strategy*

Council endorsed the officer's report, making submissions on the Draft Perth Coastal Planning Strategy which was released for public comment during the year. Given the purpose of the draft strategy is to guide future sustainable planning for conservation, recreation, infrastructure and development of the Perth metropolitan coast, it was important for Council to raise a number of points regarding Precincts 35 to 40 which existed within the City.

### *Proposed Kwinana Intermodal Terminal*

A report was prepared for Council in relation to the Draft Kwinana Intermodal Terminal Study. This draft study was commissioned by the Department of Planning, and recommended a location for an Intermodal Terminal servicing future freight needs of Perth and the wider State. A location within the City of Cockburn was identified, to the east of the Henderson Landfill Site running in an elongated north-south direction. The officer report presented to Council raised a number of fundamental concerns regarding the proposed location, and Council in turn supported these concerns in making its submission to the Department of Planning.

As part of the officer's assessment, an alternative (and potentially more appropriate) location for the Intermodal Terminal was proposed. This was located south of Rowley Road within the Town of Kwinana, adjacent to the Alcoa Residue Disposal Area. Council supported this alternative site, and based on Council's submission, the Department of Planning chose to fund a detailed study of the alternative site to determine its feasibility or not. This study is still being undertaken with the results expected by the end of 2009.

*Metropolitan Region Scheme*

The City continued its participation in regional planning through the South West District Planning Committee of the Western Australian Planning Commission. A number of major proposals were successfully progressed through the South West District Planning Committee which related to the City. These included the lifting of 'Urban Deferred' zonings under the Metropolitan Region Scheme for the Wattleup Road and Hammond Park localities; Muriel Court Structure Plan locality; Imlah Court locality and Lot 572 Bartram Road, Success. The South West District Planning Committee also gave its endorsement to the Draft Cockburn Coast District Structure Plan and the associated Proposed Metropolitan Region Scheme amendment in which to begin implementation of the District Structure Plan.

*Southwell New Living Project*

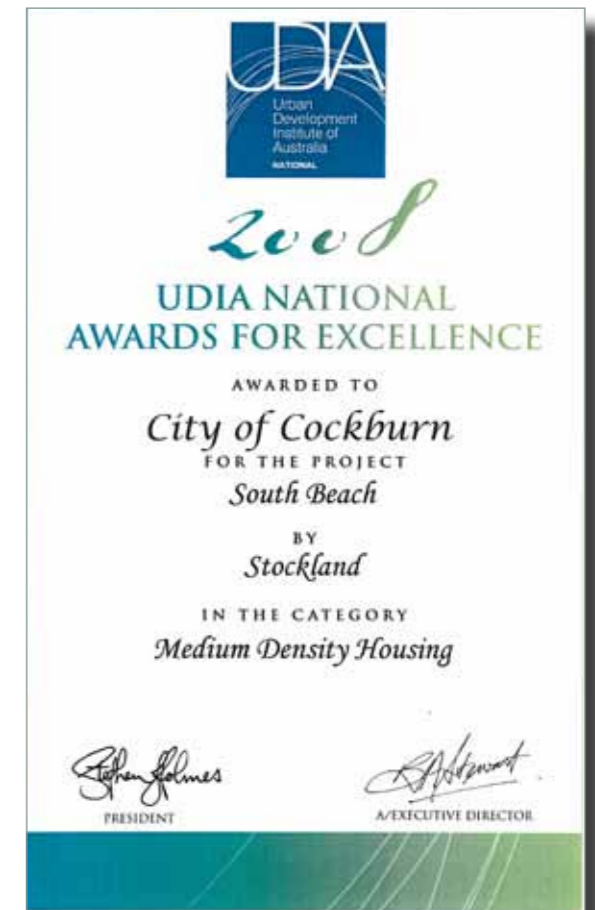
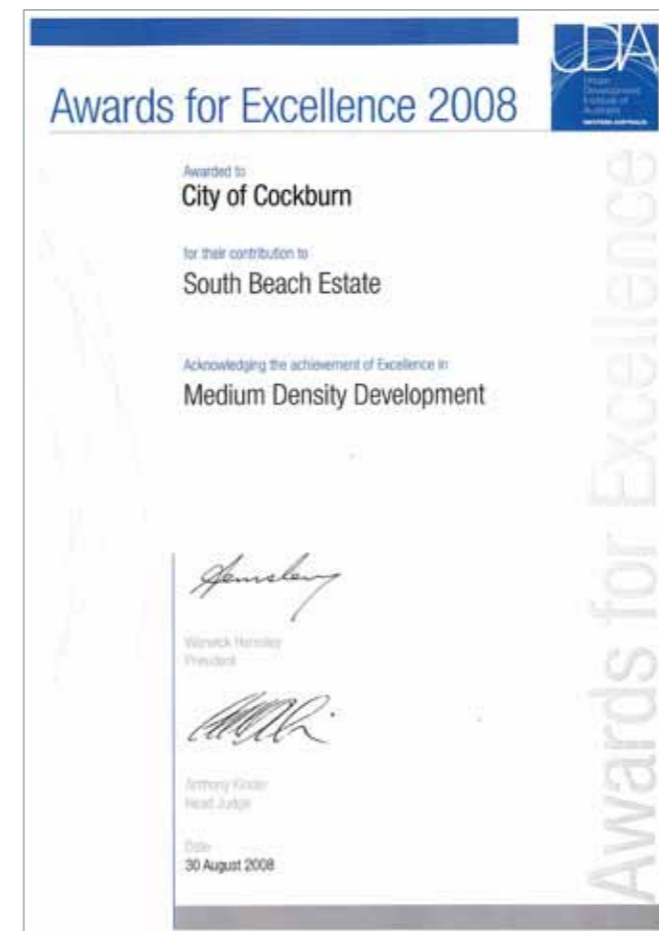
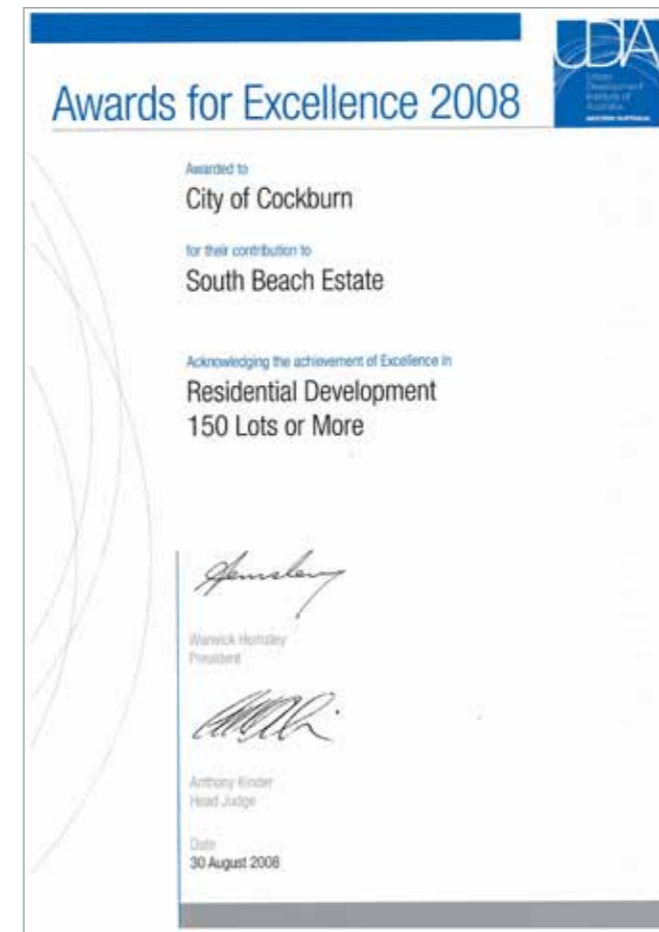
The City continued its working relationship with the Department of Housing and Satterley Property Group in relation to the Southwell New Living Project. This will see the refurbishment of all Homeswest houses, and the sale of some houses and units in order to reduce the extent of public housing in the area to around 10%.

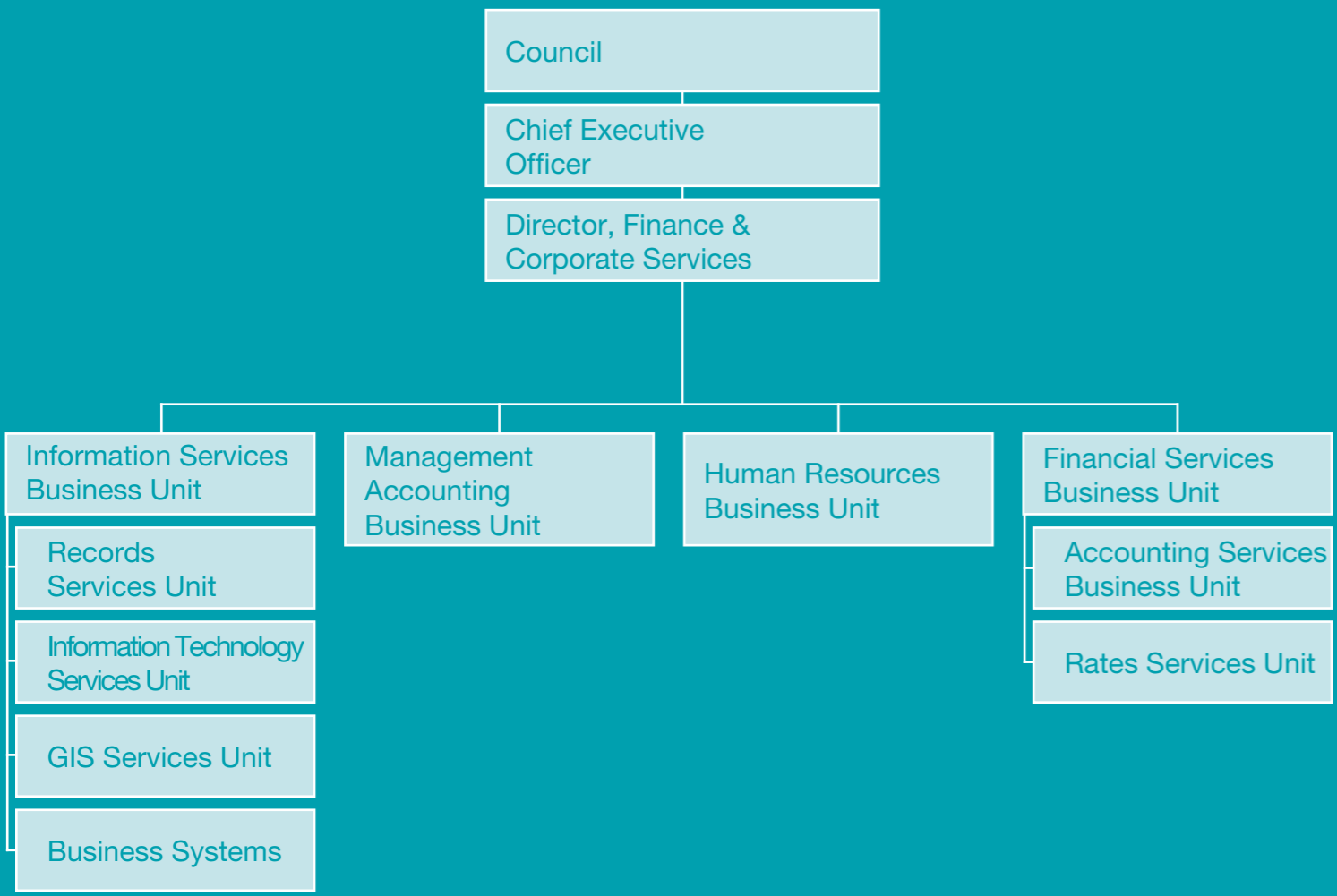
*Phoenix Central Revitalisation Strategy*

Of final note, it is with great significance that Council adopted the Phoenix Central Revitalisation Strategy. The revitalisation strategy provides a strategic framework for improvements to the Phoenix Town Centre, which includes the surrounding suburbs of Spearwood and Hamilton Hill. This is to specifically guide changes to the study area over the next 10 years, focused on the 800m walkable catchment surrounding the Phoenix Town Centre. The aim of the revitalisation strategy is to develop Phoenix Town Centre according to the principles outlined in the Network City Planning Strategy ("Network City"), which is the strategic plan guiding Perth's future growth. Network City sets out the direction for centres such as Phoenix to evolve into what it calls "activity centres".

*The Future*

2009-10 looks set to continue with an abundance of important strategic planning initiatives aiming to secure a prosperous and sustainable development future. The Strategic Planning and Land Administration is well-placed to continue this work into the coming year.





## Finance & Corporate Services Division

The City recorded a budget surplus on the municipal fund of \$201,608 for the 2008-09 financial year after providing for the funding of uncompleted carried forward works, reserve transfers and the early payment of the 2009-10 Financial Assistance Grant (received in June 2009 rather than the normal July). As is usual, budget surpluses are used to fund the following year's budget.

<b>Adopted Budget Carry Forwards 2009/10 Capital</b>	\$1,598,800
<b>Adopted Budget Carry Forwards 2009/10 Non Capital</b>	\$348,482
<b>Total Carry Forwards from 2008/09 to 2009/10</b>	\$1,947,282
<b>Estimated Budget Surplus from 2008/09</b>	\$201,608
<b>Cash Required for opening funds in 2009/10</b>	\$2,148,890
<b>Cash available as per financial statements 30/6/09</b>	\$3,247,413

<b>Gross unallocated cash</b>	\$1,098,523
<b>Less Financial Assistance Grants 2009/10 paid in 2008/09</b>	\$675,912
<b>Additional carried forward works</b>	\$422,611
<b>Surplus from 2008/09 Financial Year</b>	\$201,608

The budget surplus was achieved without the need to borrow \$3 million as budgeted in the 2008-09 budget. This was primarily due to a number of projects being delayed and the associated cash requirements also being delayed.

For the year under review, rating income was \$38.5 million, 1.3% above budget. This increase was the result of the strong property market in the first half of the 2008-09 financial year, as a number of commercial and residential land releases came to market and were rated for the first time. The number of rateable properties increased over the 12 months in 2008-09 by 4.8%, in line with lot creation over the past 10 years. Income from the Henderson Resource Recovery Park was down 14% on budget after prices for recycled metals fell from \$200 per tonne to nil in the space of three months, coupled with lower volumes from commercial building waste. Interest income was 4.7% above budget, even though official interest rates fell from 7.25% to 3% during the financial year. The City benefitted in having a number of deposits with Australian banks at above 7% for periods greater than six months. Income from other sources were in line with budget expectations.

Operating expenditures for 2008-09 were mixed with payroll coming in under budget by 1.7% after the CEO initiated a staff review program arising from the Global Financial Crisis with every replacement staff request coming under severe scrutiny as to re-hire. All new, non-essential recruitment was also reviewed and stopped. New appointments for the Cockburn Seniors Centre were exempted or where positions were funded by external grants or revenue sources. This practice is still in place. Depreciation came in over-budget, as a number of new facilities came on-stream including the new Cockburn Youth Centre and the refurbished Hamilton Hill Memorial Hall.

In addition, the City was required to buy land on the open market for the future construction of roads, notably the extension of Spearwood Avenue. The road acquisition program cost the City \$4.4 million with the land, in turn, being gifted to the State as all road reserve land is vested in the crown.

### Working Capital

The City's ability to meet its financial commitments is calculated by measuring the current assets on the balance sheet against the current liabilities.

The City's ratio is 1.65:1 (last year 2.78:1). This indicates that the City has a sound financial position to meet its ongoing financial commitments. So the City has \$1.65 in cash and current assets to meet each \$1 of its current liabilities.

### Cashflow

The City had a net cash flow from operating activities of \$14.3 million compared with a budgeted cashflow of \$11.7 million and \$10.7 million last year. This came about due to higher than budgeted cash receipts including rates, interest and GST-related items, but also lower costs such as payroll.

Cash flow from investing (capital expenditure) was in line with 2007-08 with the City recording capital expenditure of \$26.3 million as against \$27.8 million in 2007-08. The City also received \$6.9 million from the sale of land – predominantly land sales in Tapper Road, Atwell. Investments increased by \$3.6 million. One point of interest was the return of \$1.2 million in bonds to developers signifying the completion of a number of large land development projects. The City also did not exercise its budget approval to borrow \$3 million.

Overall, the City's cash holding increased from \$27.8 million to \$34.9 million over the past 12 months.

### Return on investments

The following table indicates the performance of the City's investment portfolio over the past two financial years, 2008-09 and 2007-08:

Financial Year	Av. Cash Held during Financial Yr	Benchmark Expectation	Portfolio Performance	Variance	Value \$
2007/08	\$52,404,274	7.30%	5.20%	-2.10%	-\$1,100,490
2008/09	\$49,645,021	4.80%	7.49%	2.69%	\$1,337,649

The performance of the City Monetary Investments was good, given the falling official cash rate. The past two years have seen big volatility in official interest rates which, in turn, leads to considerable variance in performance against relatively static benchmarks. The current investment portfolio of monetary assets is earning between 4% and 4.25% pa.

The City has a range of monetary investments as of 30th June 2009, including term deposits, floating rate notes in Australian Registered Banks, mortgage-backed securities and CDOs (collateralised debt obligations). The current position of the City's \$3.5m investment in CDOs has gradually improved over the past 12 months, with the current market value being \$2.2 million (as of 31st August 2009). \$1 million matures in July 2010 and the balance of \$2.5 million matures July 2011. Advice from Oakvale Capital, the City's independent financial adviser, is that values should increase as the strength of world economic recovery stabilises.

### Uncompleted and Carried Forward Capital Works

Uncompleted works and projects from the 2008-09 budget totalling \$16.4 million and associated income of \$16.4 million have been carried forward to the 2009-10 budget. A full and detailed list was to be approved by Council at the October 2009 Ordinary Council Meeting.

### Internal Audit Program

The 2008-09 financial year saw the commencement of a three-year internal audit program led by the Paxon Group (formerly Stamfords). The areas covered in 2008-09 were reviews of:

1. Statutory Planning Application Processes
2. Back up of IT data and associated processes
3. Fuel audit
4. Processes for infringement write offs

Each audit was extensive and detailed and, as a result, has led to processes being either updated or new ones established to keep track of new systems and personnel.

A more rigorous schedule has been adopted for 2009-10, including a review of the last 10 internal audits, specifically to ensure compliance and follow through with original findings.

### Audit Independence and Committee

The City has both an external auditor and an internal auditor. The former is to review and audit the statutory financial statements of the City. This function is performed by Mr Michael Hillgrove of Grant Thornton. The latter, the internal audit, is undertaken by the Paxon Group (formerly Stamfords). Both submit their reports to the Audit Committee. The external audit is then adopted by Council and is presented to the annual electors' meeting.

The Audit Committee is a formally-appointed committee of Council and is part of the governance obligations to the community. The Audit Committee is the only committee required to be formed under the Local Government Act. The Audit Committee is to facilitate:

- Enhancement of the credibility and objectivity of internal and external financial reporting.
- Effective management of financial and other risks, and protection of the City's assets.
- The effectiveness of the internal audit program and function.

Membership of the Audit Committee consists of the Mayor and four elected members. Advisers to the committee are the CEO, Director Finance and Corporate Services plus other staff as required/directed. Both the internal and external auditors may attend as required.

### Human Resources

This department covers the provision of payroll and human resource management services.

The City is continuing to look for innovative ways to reduce the impact of short-term staff vacancies and will implement further staff retention initiatives as part of this program.

*Retention strategies introduced in 2008-09 were:*

- Significant pay rises were awarded. In response to industry benchmarking, the 2008 rise (5%) was in excess of the Union Collective Agreement. In 2009, the rise was 4.25% in a market when pay freezes and redundancies were occurring. This has enabled the City to retain staff.
- The Employee Development Policy was changed to increase Council's contribution to study costs to 50% - this is better than any other Council has offered.
- Length of Service Awards – now include cash amounts (10, 15, 20 years) and additional leave (25+ years).
- Employee of the Year Award introduced.
- Discounted health insurance through HIF made available.
- Journey Insurance for all employees was implemented.
- Commonwealth Bank discount rates were promoted.

Turnover has reduced to 18% for 2008-09.

A Learning and Development Officer will be employed to coordinate delivery of training and skill development to the City's workforce.

A Learning and Development Coordinator was appointed in September 2008. This enabled us to commence a 12-month Diploma of Management in Feb 2009 with 14 staff from all divisions and two participants from the City of Melville. A Certificate 3 in Frontline Management commenced in May 2009 with 16 Engineering and Works Supervisors and Leading Hands.

The City will explore possible workplace structures and industrial agreements for the development of shared services personnel.

Preparatory work was undertaken, ready for the changes to the industrial relations frameworks scheduled for 1 July 2009.

A review of the Human Resource Management system will be undertaken, with the intent of providing better metrics to assist with staff management.

A significant upgrade to the Technology 1 HR/Payroll System brought improvements in functionality. A further large upgrade scheduled for September 2009 should bring the system up to a satisfactory level.

### Information Services

This group consists of Business Systems, Information Technology, Help Desk, Geographic Information Services (GIS), Web and Records Management.

Given the all-pervasive nature of information systems in today's society, the reach of this business unit is wide and far. Below is a brief description of the role each department plays in maintaining a modern information system so the City can undertake its role in the community.

### Business Systems

Maintains the information systems of the City, including the financial system. In all, Business Systems maintains more than 100 different software systems.

### Information Technology

This is the area of Information Services that drives the software. This area covers PCs, printers and copiers, routers, servers and other back office equipment. 2008-09 saw the roll out of copiers as the basic printing tool. This assisted in lowering the cost of printing and copying, as well as reducing the toner consumption and the number of printers in the organisation. New laptops were introduced during the year.

### Help Desk

The City has a comprehensive help desk team, providing support through email, direct access to personal computers and face-to-face support both in the IT department and at the employee's work station. The help desk team use Sysaid to record all issues associated with the network to prioritise help. This also allows the IS team to monitor the needs of training and life of the City's 400 PCs.

### GIS

The City maintains a comprehensive suite of GIS maps and layers to assist City staff do their job efficiently and effectively.

### Web

Design and access to information changes have occurred in 2008-09 with further development planned for a new content management structure and improvements to communication and social networking in the near future. Ratepayer satisfaction with the City's website has risen to 74% in this time.

### Records Management

The records function within the City's administration records the movement of all correspondence, including the attachment of documents. The City is continuing to scan and digitally record all current records and mail coming into or leaving the City. In addition, the City has undertaken a project to digitally record all archived records, so as to have them available electronically. This is the second of three years, with good progress being logged by the records project team. It is envisaged this project should be completed in 2009-10.

### Information Services Infrastructure

A number of major infrastructure projects have been completed during the current year including:

- Completion of the Network Infrastructure project to link all City buildings with high speed communication links, scheduled for completion in July 2009.

- The City now has high speed microwave links (> 80MB) to the Youth Centre, Coolbellup Library, Henderson Landfill, Azelia Ley Museum and Success Library.
- South Lake Leisure Centre, Atwell Community Centre and the Jean Willis Centre could not be linked with microwave links and have alternatively been upgraded to the highest speed ADSL connection available.
- The City has also purchased a 20MB link between Telstra and the City's data network to improve services provided on the ADSL links for City infrastructure. The City also has a new 10MB internet service delivered to the City via this 20MB link.
- These new high speed links now enable all City offices/buildings to link back to the Administration PABX through VOIP technology. Success Library and the Youth Centre have been using this technology for the past 12 months and it is anticipated phone systems will be replaced with VOIP phones during the 2009-10 financial year.

#### *Virtualisation of all City IT Servers*

This project is now complete and has resulted in 80 physical servers now being run in a virtual environment on six physical servers and has provided the City with the following results:

- Power consumption to the server room has decreased, as there are less servers and the room now only needs to be cooled down to 25 degrees instead of 18 degrees.
- Greater redundancy for the City's computer network, therefore decreasing system downtime.
- The ability to create advanced networking environments in the virtual world which allow us to create isolated servers for testing and public use, without risking our production servers.
- Because virtual servers can be run on any of the host servers, we have been able to perform server maintenance several times on the Dell servers without causing any disruption to the live Windows server.

The City has also been reviewing a number of its business systems, in addition to the infrastructure required to run the systems:

#### *Customer Request System*

This system is now being used extensively by all staff. The Business Systems team has conducted training of all staff over a two-month period. A Stage 2 is planned to enable better reporting.

#### *Property Leasing*

The system went live in July and has been modelled on the full lease life cycle business process. All Naval Base Shacks have been entered in the system and these can now be administered.

#### *Works and Assets*

The first asset type FLEET went LIVE on 7th September. A demonstration of the Fleet Management System to senior management has been scheduled for 13th October.

The first asset has taken some time, as a fair amount of planning has taken place to ensure the basic building blocks of the system are correct from the start. The next asset type is BUILDINGS with ROADS, PARKS, MARITIME to follow.

#### *Finance One/HR & Payroll upgrade*

System has started to settle in. 2 x OUTSIDE PAYS and 1 x INSIDE pay have been run. A number of issues were discovered but have been rectified. One issue is outstanding – validation of leave accrual. The Finance1 system has been operating well and there appear to be no major problems. Posting of Journals from the Property System (Proclaim) is taking longer than before. There is a workaround for this situation and the problem may not be fixed until the upgrade of the property system to CI.

#### *Gladstone Booking System*

System has been implemented at Youth Services Centre in Atwell. System has been implemented at Seniors Centre. Future work is to get EFTPOS operational at these two sites.

#### *CI Proclaim upgrade*

A planning day was held with key users of the Proclaim Property System. Two days of workshops with key users has just been completed. The workshop will determine some high-level security requirements of the system and whether business processes need to be improved.

#### **Financial Services**

The City Financial Services Department comprises both Finance and Management & Budgeting. This covers financial and management reporting, budgeting, treasury, purchasing and tendering, accounts payable and receivable and rates.

The City continues to report financial and management information within five working days of the month-end to ensure up-to-date financial information is available to all decision-makers. The Management Reporting team had a major staff change as four new staff members were introduced to the City.

The upgrade to Finance One occurred during the financial year, in preparation for the upgrade to the property database system Proclaim. Proclaim is the big system upgrade and had been delayed due to staff changes.

The service of the City is the rates department, which saw a major revaluation introduced during the year, coupled with a roaring property market. This, in turn, led to a high number of interim rates notices being prepared and issued. Although the global financial crisis hit the City in a dramatic slowdown, the financial year under review still saw rates income exceed budget by some 1.3% - mostly as a result of increased interim rating. One of the initiatives introduced was the elimination of the early payment discount for commercial and industrial properties. This appeared to be well-received as it allowed more commercial ratepayers to pay by instalments to assist in their cash flow management. At the same time, some 99.5% of all rates and charges/levies were collected by the department.

A major focus of the Financial Services department was the expediting of preferred suppliers to ensure the City could take advantage of lower costs, especially in the financial downturn.



# **Annual Financial Statements**

**for the Year Ended 30 June 2009**

## Financial Statements: Index

- Statement by CEO	57
- Balance Sheet	58
- Statement of Equity	59
- Income Statement	60
- Income Statement by Nature & Type	61
- Cash Flow	62
- Rate Setting Statement	64
1. Significant Accounting Policies	66
2. Revenues and Expenses	73
a. Statement of Objectives	73
b. Control over Contributions	74
c. Asset by Function	75
d. Disposal of Assets	76
e. Changes in Net Assets	77
3. Cash & Cash Equivalents	78
4. Investments	78
5. Trade & Other Receivables	79
6. Inventories	79
7. Payables	79
a. Trade & Other Payables	79
b. Interest Bearing Liabilities	79
8. Provisions	79
9. Property, Infrastructure, Plant and Equipment	80
10. Information on Property, Infrastructure, Plant and Equipment	82
a. Movements in Carrying Amounts	82
b. Recognition of Gifted Development Assets	83
c. Revaluation of Infrastructure Assets	83
11. Reserves	84
12. Superannuation	90
13. Capital & Leasing Commitments	91
14. Notes to Cash Flow Statement	92
a. Reconciliation of Net Cash Used in Operating Activities to Change in Net Assets	92
b. Reconciliation of Cash	92
15. Interests in Joint Venture Entities (Unaudited)	93
16. Fees & Charges	94
17. Other Expenses	96
18. Financial Ratios	96
19. Discounts, Incentives, Concessions, & Write Offs	97
20. Interest Charges, Administration Fees and Instalments	98
21. Service Charges	99
a. Prescribed Service Charges	100
b. Other Service Charges	100
22. Statement of Rating Information	100
23. Net Current Asset Position	102
24. Contingent Liabilities	102
25. Financial Risk Management	103
a. Risk Assessment - Cash & Cash Equivalents and Investments	103
b. Receivables	104
c. Payables & Borrowings	104
d. Interest Rate Risk Profile	105
e. Impairment of Investment	106
26. Major Land Transactions	107
a. Development & Sale of Lot 5 Cnr Bartram Road and Tapper Road, Atwell	107
b. Lot 7 Cockburn Central - Purchase and Development	107
27. Employees	108
a. Remuneration of Senior Employees	108
b. Number of Employees	108
28. Economic Dependency	109
29. Opening & Closing Funds used in the Rate Setting Statement	110
a. Determination of Opening Funds	110
b. Determination of Closing Funds	110
30. Events Subsequent to Balance Date	111

## Understanding the Financial Statements

### Introduction

The Financial Statements show how the Council performed financially during the 2008/09 financial year and presents the financial position as at the 30th June 2009.

Council is required to prepare its financial statements in accordance with the Australian Accounting Standards, the Local Government Act 1995 and the associated Local Government Regulations. As Council is a “not-for-profit” organisation in the public sector, some of the generally recognised terms used in private sector reports are not ideally transferable to the Local Government environment.

Cockburn Council is mindful of its role of acting in the public interest and it is in this context that this guide is provided to assist readers in understanding and analysing the financial statements.

### What is contained in the Financial Statements?

Council’s Financial Statements has two sections, namely:

- The principal Financial Statements
- The Notes to and Forming Part of the Financial Statements.

There are five (5) principal Financial Statements and twenty eight (28) Notes to the Accounts. These are prepared by Council staff, audited by an independent Auditor, presented to Council’s Audit Committee and then accepted by full Council as part of the Annual Report.

The five Principal Financial Statements comprise the following:

- Balance Sheet
- Statement of Changes in Equity
- Income Statement
- Cash Flow Statement
- Rate Setting Statement

The Notes to the Accounts include the accounting policies that were applied in preparing the financial statements, as well as more detailed information relating to specific items and values disclosed within the statements.

### Balance Sheet

This statement is a snap shot of the financial position of the Council as at 30th June 2009. It shows what Council owns as assets and what it owes as liabilities. The bottom line of this statement is the net assets and is equivalent to the net worth of the Council that has built up since inception.

The assets and liabilities are separated into those that are Current and Non Current. Current means those assets and liabilities, which are likely to be consumed or extinguished within the next 12 months. Non Current refers to assets

and liabilities with an economic life extending beyond 12 months.

### Statement of Changes in Equity

From one year to the next, the value of and composition of equity (as reported within the Balance Sheet) changes. Equity can be defined as being the net worth of Council or its net assets (Assets less Liabilities).

Council’s equity is comprised of Cash Backed Reserves, Asset Revaluation Reserve (non cash) and the Accumulated Surplus. Net surpluses (or deficits) from Council’s operations (as disclosed in the Income Statement), will change the overall total of equity (via the accumulated surplus). Asset revaluations also impact Council’s net worth position. Transfers to and from cash backed reserves, whilst not impacting the overall total of equity, demonstrate the consumption of or accumulation of savings for future purposes.

### Income Statement

The Income Statement shows:

- The sources of Council’s Revenue under various Program Headings
- The expenses incurred in running the Council during the year under Program Headings

These expenses relate only to the operations and do not include the costs associated with the purchase or the building of assets. While asset purchase costs are not included in expenses, there is an item for depreciation. This is the annual allocation of the cost of assets by reference to the remaining useful life of assets.

The key figure is the change in net assets resulting from operations and this year, it indicates that revenues exceeded expenses.

### Cash Flow Statement

The Cash Flow Statement summarises Council’s cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care and analysis. The values in the Cash Flow Statement differ from those shown in the Income Statement, as it is prepared on a cash basis, whereas the Income Statement is prepared on an accruals basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can be readily converted to cash.

Council’s cash arises from and is used in three main areas:

Operating activities

Investing activities – this term relates to assets such as infrastructure, plant, land and other long-term revenue producing assets.

Financing activities – this is used to record the receipt and repayment of external financing such as loans and leases.

The bottom line of the Cash Flow Statement shows the cash held at the end of the financial year.

### Rate Setting Statement

The inclusion of a Rate Setting Statement in the annual statements is a requirement of the Local Government (Financial Management) Regulations 1996. The format for this statement is prescribed within the regulations and is the same as that included in the annual budget.

As the name suggests, the Rate Setting Statement sets out the total amount of general rates proposed in the budget and the amount actually raised during the reporting year. To arrive at these, the statement reconciles all sources and application of funds and the closing surplus or deficit (less any opening balances). This includes all operational revenue and expenses (as included in the Income Statement) together with all capital acquisitions made, transfers to and from cash-backed reserves and transactions associated with borrowings.

The Rate Setting Statement provides a more complete picture of the council's financial activities during the reporting year compared to the Income Statement (which reports only on the operational activities).

### Notes to the Accounts

The notes are a very important and informative section of the Report. They provide additional meaning to and information in support of the principal statements.

The Significant Accounting Policies at note 1 provide the reader with the policies and parameters used in preparing the Statements. In other words, these are the ground rules that form the basis for preparing the statements.

Apart from the Accounting Policies, the other notes provide the details behind many of the summarised figures contained within the statements. Where there is a direct correlation between amounts, the applicable note number is disclosed beside the relevant item in the statements.

The notes should be read in conjunction with the principal Financial Statements to get a clearer understanding of Council's financial position.

### Auditor's Report & CEO's Statement

The independent Audit Report provides an external and independent opinion on the Financial Statements. It provides the reader with the scope of the audit work undertaken and expresses an audit opinion formed on this basis. The audit opinion relates to the fairness aspects and the statutory compliance of the Financial Statements.

The Statement by the Chief Executive Officer serves as a written undertaking by management to the correctness and fairness of the statements.

### Statement by Chief Executive Officer


The attached financial report of the City of Cockburn, being the Annual Financial Report and supporting notes and other information for the financial year ended 30 June 2009, are in my opinion, properly drawn up to present fairly the financial position of the City of Cockburn at 30 June 2009 and the results of the operations for the financial year then ended, in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 29th October 2009



S Cain  
Chief Executive Officer

### Independent Auditor's Report



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**Independent Auditor's Report to the Ratepayers of the City of Cockburn**

We have audited the accompanying financial report of the City of Cockburn, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity, and statement of cash flows for the year ended 30 June 2009, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

**Council's responsibility for the financial report**

The Council of the City of Cockburn is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

Grant Thornton (WA) Partnership ABN 17 735 344 516, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.  
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Liability limited by a scheme approved under Professional Standards Legislation.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Cockburn's financial position and of their performance.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Basis for Qualified Auditor's Opinion**

**Financial Assets**

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing markets, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets including Collateralised Debt Obligations (CDO's) and certain other Managed Funds.

At 30 June 2009, the City of Cockburn held \$3,500,000 in Credit Link Note Securities (CDO's with Corporate Reference Entities), \$1,000,000 in Asset Backed Securities ("ABS"), against which a provision for impairment of \$920,000 has been raised and \$3,472,414 in Mortgage Backed Securities ("MBS"). These securities are classified as being held to maturity.

These investments have been impacted by this market volatility. The impact on individual securities varies depending on their degree of exposure to the affected markets.

As referred to in Note 1(s) "Critical Accounting Estimates" many of these securities do not have market values that are independently quoted and they are not widely traded. For these securities which are held to maturity, there is insufficient external evidence to ascertain whether principal and interest amounts will be fully recovered. These circumstances have resulted in our inability to obtain sufficient appropriate audit evidence to satisfy ourselves as to the fair value and recoverability of \$3,500,000 in Credit Link Note Securities (CDO's with Corporate Reference Entities), \$1,000,000 in Asset Backed Securities less a provision for impairment of \$920,000 and \$3,472,414 in Mortgage Backed Securities.

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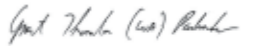
**Qualified Auditor's opinion**


In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to recoverable amount of the investments and the allocation of any impairment in the value of investments to the income statement, the financial report:

- (i) gives a true and fair view of the City of Cockburn's financial position as at 30 June 2009 and of its performance for the financial year ended 30 June 2009;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and Regulations under that Act.

**Statutory Compliance**

We did not, during the course of our audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act, 1995 Part 6 (as amended) and Local Government (Financial Management) Regulations 1996 as they relate to the financial statements.

  
GRANT THORNTON (WA) PARTNERSHIP  
Chartered Accountants

  
M J Hillgrove  
Partner

Perth, 29<sup>th</sup> October 2009

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<b>Balance Sheet</b>		Actual	Budget	Actual
As at 30 June 2009		2008/09	2008/09	2007/08
	Notes	\$	\$	\$
<b>CURRENT ASSETS</b>				
Investments	4	1,831,060	-	3,402,472
Cash and Cash Equivalents	3	34,937,049	37,985,959	27,288,378
Trade & Other Receivables	5	5,547,060	5,150,000	4,660,565
Inventories	6	2,418,022	100,000	22,503
Total Current Assets		44,733,190	43,235,959	35,373,918
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	7a	5,406,075	2,250,000	4,991,888
Provisions	8	3,814,749	3,000,000	3,494,975
Total Current Liabilities		9,220,824	5,250,000	8,486,863
<b>NET CURRENT ASSETS</b>		35,512,366	37,985,959	26,887,055
<b>NON CURRENT ASSETS</b>				
Investments	4	11,952,414	-	15,998,670
Other Receivables	5	453,262	415,227	451,331
Property, Plant, & Infrastructure	9,10	654,193,764	534,257,066	651,441,398
Total Non Current Assets		666,599,440	534,672,293	667,891,399
<b>NON CURRENT LIABILITIES</b>				
Interest Bearing Liabilities	7b	-	3,000,000	-
Other Payables	7a	2,432,465	3,400,453	3,647,648
Provisions	8	596,086	717,033	556,784
Total Non Current Liabilities		3,028,551	7,117,486	4,204,432
<b>NET ASSETS</b>		699,083,255	565,540,766	690,574,022
<b>EQUITY</b>				
Accumulated Surplus		324,902,454	293,625,595	319,777,594
Reserves - Cash/Investments	11	31,222,801	28,418,948	28,495,585
Reserves - Asset Revaluation	11	342,958,000	243,496,223	342,300,844
<b>TOTAL EQUITY</b>		699,083,255	565,540,766	690,574,022

The Balance Sheet should be read in conjunction with the accompanying notes.

<b>Statement of Changes in Equity</b>		Actual	Budget	Actual
For the year ended 30 June 2009		2008/09	2008/09	2007/08
	Notes	\$	\$	\$
<b>RESERVES CASH/INVESTMENT BACKED</b>				
Balance at beginning of year		28,495,585	26,627,000	36,385,808
Transfer from accumulated surplus		21,443,897	29,310,116	13,860,639
Transfer to accumulated surplus		(16,716,680)	(27,518,168)	(19,870,862)
Impairment of Investment Provision		(2,000,000)	-	(1,880,000)
Balance at end of reporting period	11	31,222,801	28,418,948	28,495,585
<b>RESERVES - ASSET REVALUATION</b>				
Balance at beginning of year		342,300,844	243,496,223	243,496,222
Revaluation Increments during year		657,156	-	98,804,622
Revaluation Decrements during year		-	-	-
Balance at end of reporting period	11	342,958,000	243,496,223	342,300,844
<b>TOTAL RESERVES</b>		374,180,801	271,915,171	370,796,429
<b>ACCUMULATED SURPLUS</b>				
Balance at beginning of year		319,777,594	276,521,674	268,667,013
Change in Net Assets		7,852,078	18,895,869	43,220,357
Transfer from reserves		16,716,680	27,518,168	19,870,862
Transfer from reserves - Impairment		2,000,000	-	1,880,000
Transfer to reserves		(21,443,897)	(29,310,116)	(13,860,639)
Balance at end of reporting period		324,902,454	293,625,595	319,777,594
<b>TOTAL EQUITY</b>		699,083,255	565,540,766	690,574,022

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

<b>Income Statement by Program</b>		Actual	Budget	Actual
For the year ended 30 June 2009		2008/09	2008/09	2007/08
	Notes	\$	\$	\$
<b>REVENUES</b>				
Revenue From Ordinary Activities				
	General Purpose Funding	45,237,668	41,942,062	33,805,714
	Governance	107,579	113,809	109,269
	Law Order & Public Safety	2,664,717	2,823,060	2,437,694
	Health	238,599	139,384	182,322
	Education & Welfare	4,476,067	4,411,089	4,106,260
	Community Amenities	19,654,420	23,098,666	19,057,999
	Recreation & Culture	2,849,638	2,504,004	2,680,845
	Transport	142,808	233,000	307,591
	Economic Services	1,897,534	2,012,790	2,069,899
	Other Property & Services	931,396	396,440	743,578
Total Operating Revenues		78,200,425	77,674,304	65,501,171
<b>EXPENSES</b>				
	General Purpose Funding	(1,096,225)	(1,127,229)	(1,214,371)
	Governance	(6,847,033)	(7,196,607)	(6,081,342)
	Law Order & Public Safety	(3,965,399)	(4,201,552)	(3,726,330)
	Health	(1,400,023)	(1,329,054)	(1,340,415)
	Education & Welfare	(7,314,808)	(7,254,296)	(5,071,050)
	Community Amenities	(18,510,968)	(20,210,865)	(15,479,717)
	Economic Services	(1,707,741)	(1,576,862)	(1,607,630)
	Other Property & Services	(1,431,754)	(2,259,565)	(1,793,050)
Total Operating Expenditure		(80,361,750)	(81,005,926)	(69,087,660)
Increase/(Decrease)		(2,161,325)	(3,331,622)	(3,586,489)
<b>GRANTS/CONTRIBUTIONS TOWARDS ASSETS</b>				
	Governance	28,303	30,000	56,183
	Law Order & Public Safety	110,141	-	-
	Education & Welfare	-	-	24,080
	Community Amenities	61,564	77,770	120,836
	Recreation & Culture	1,795,232	1,153,835	2,873,338
	Transport	2,690,366	8,492,777	2,731,192
	Other Property & Services	639,462	2,177,610	2,107,484
		5,325,068	11,931,992	7,913,113
Gifted And Previously Unrecognised Assets		4,736,020	-	39,945,083
Impairment Charge on Investments		(2,000,000)	-	(1,880,000)
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS</b>				
	Proceeds from Sale	6,974,571	13,524,280	1,971,016
	Book Value	(5,022,257)	(3,228,781)	(1,142,365)
		1,952,315	10,295,499	828,651
<b>CHANGE IN NET ASSETS</b>		7,852,078	18,895,869	43,220,357

The Income Statement should be read in conjunction with the accompanying notes.

<b>Income Statement by Nature and Type</b>		Actual	Budget	Actual
		2008/09	2008/09	2007/08
		\$	\$	\$
<b>OPERATING REVENUE</b>				
	Rates	38,513,931	36,003,177	28,680,803
	Fees and Charges	27,883,963	30,007,594	26,912,784
	Grants and Subsidies	7,396,484	6,669,540	6,379,029
	Contributions, Donations, Reimbursements	624,149	1,630,284	471,595
	Interest Earnings	3,720,610	3,351,809	2,732,759
	Other revenue and Income	61,290	11,900	324,202
Total Operating Revenue		78,200,425	77,674,304	65,501,171
<b>OPERATING EXPENDITURE</b>				
	Employee Cost	(27,848,160)	(28,389,802)	(24,553,829)
	Materials and Contracts	(29,225,466)	(30,428,424)	(23,777,534)
	Utilities	(2,450,167)	(2,440,385)	(2,120,959)
	Interest Expenses	-	-	-
	Insurances	(1,312,800)	(1,230,289)	(1,145,193)
	Other Expenses	(2,990,642)	(3,471,572)	(2,841,355)
	Depreciation on Non Current Assets	(16,534,516)	(15,045,454)	(14,648,791)
Total Operating Expenditure		(80,361,750)	(81,005,926)	(69,087,660)
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATING ACTIVITIES</b>		(2,161,325)	(3,331,622)	(3,586,489)
<b>NON-OPERATING ACTIVITIES</b>				
	Capital Grants & Subsidies	3,854,028	3,954,728	2,495,311
	Contributions - Asset Development	6,207,060	7,977,264	45,362,884
	Impairment Charge - Non Current Investments	(2,000,000)	-	(1,880,000)
	Profit/(Loss) on Sale of Assets	1,952,315	10,295,499	828,651
Total Non-Operating Activities		10,013,402	22,227,491	46,806,847
<b>NET RESULT</b>		7,852,078	18,895,869	43,220,357

<b>Cash Flow Statement</b>		Actual	Budget	Actual
For the year ended 30 June 2009		2008/09	2008/09	2007/08
	Notes	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee Cost		(27,489,084)	(28,389,802)	(24,322,204)
Materials and Contracts		(29,131,814)	(30,428,424)	(23,339,801)
Utilities		(2,450,167)	(2,440,385)	(2,120,959)
Insurances		(1,312,800)	(1,230,289)	(1,145,193)
Other Expenses		(2,990,642)	(3,471,572)	(2,841,355)
GST on Payments		(5,226,920)	(4,100,000)	(5,328,879)
		(68,601,426)	(70,060,472)	(59,098,391)
<b>Receipts</b>				
Rates		38,679,989	36,003,177	28,611,643
Fees and Charges		27,247,191	30,007,594	26,153,279
Contributions, Donations and Reimbursements		624,149	1,630,284	471,595
Interest Received		3,792,021	3,351,809	2,440,882
Grants - Operating		7,371,567	6,669,540	6,050,293
Other Revenue/Income		61,290	11,900	324,202
GST on Receipts		2,124,054	1,450,000	1,804,217
Net GST Refunded		3,024,578	2,650,000	3,983,301
		82,924,838	81,774,304	69,839,412
<b>NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	14a	14,323,412	11,713,832	10,741,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale on Non Current Assets	2d	6,974,571	13,524,280	1,971,016
Purchase Furniture and Equipment		(131,851)	(163,738)	(608,502)
Purchase Computer Equipment		(587,793)	(1,068,978)	(148,727)
Construction of Infrastructure Assets		(11,576,891)	(18,018,661)	(12,202,916)
Purchase Plant and Machinery		(2,665,129)	(3,053,648)	(2,442,086)
Purchase & Development of Land		(770,204)	(1,273,067)	(2,199,324)
Purchase & Construction of Buildings		(5,573,585)	(19,314,840)	(10,219,178)
Grants & Contributions for the Development of Assets		5,325,068	11,931,992	7,913,113
Net Movement in Investments		3,546,256	-	(4,878,670)
<b>NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>		(5,459,559)	(17,436,660)	(22,815,276)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase/(Decrease in Bonds Held)		(1,215,183)	-	(765,794)
Proceeds from New Borrowings		-	3,000,000	-
<b>NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		(1,215,183)	3,000,000	(765,794)

		Actual	Budget	Actual
		2008/09	2008/09	2007/08
	Notes	\$	\$	\$
Net Increase/(Decrease) In Cash during year		7,648,670	(2,722,828)	(12,840,049)
Cash At Beginning Of Reporting Period		27,288,378	40,708,787	40,128,428
<b>CASH &amp; CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	3,14b	34,937,049	37,985,959	27,288,378

The Cash Flow Statement should be read in conjunction with the accompanying notes.

## Rate Setting Statement

For the year ended 30 June 2009

		Actual 2008/09	Budget 2008/09
	Notes	\$	\$
<b>Operating Revenue</b>			
General Purpose Funding (Excluding Rates)		6,723,737	5,938,885
Governance		106,748	113,809
Law, Order and Public Safety		2,685,717	2,823,060
Health		238,599	139,384
Education and Welfare		4,489,249	4,411,089
Community Amenities		19,654,420	23,098,666
Recreation and Culture		2,720,907	2,504,004
Transport		285,644	337,606
Economic Services		1,897,534	2,012,790
Other Property and Services		2,836,255	10,587,333
<b>Total Operating Revenue</b>		<b>41,638,809</b>	<b>51,966,626</b>
<b>Operating Expenditure</b>			
General Purpose Funding		(3,096,225)	(1,127,229)
Governance		(6,847,033)	(7,196,607)
Law, Order and Public Safety		(3,965,399)	(4,201,552)
Health		(1,400,023)	(1,329,054)
Education and Welfare		(7,314,808)	(7,254,296)
Community Amenities		(18,510,968)	(20,210,865)
Recreation and Culture		(16,474,789)	(16,353,987)
Transport		(21,613,010)	(19,495,909)
Economic Services		(1,707,741)	(1,576,862)
Other Property and Services		(1,431,754)	(2,259,565)
<b>Total Operating Expenditure</b>		<b>(82,361,750)</b>	<b>(81,005,926)</b>
Change in Net Assets Resulting from Operations before Rates		(40,722,941)	(29,039,300)
<b>Less Non-Cash Expenses and Income</b>			
(Profit)/Loss on Assets Disposals	2d	(1,952,315)	(10,295,499)
Depreciation on Assets		16,534,516	15,045,454
Movement in Non-Current Employee Benefit Provisions		39,302	-
		(26,101,437)	(24,289,345)
<b>Less Capital Expenses</b>			
Purchase of Land and Buildings		(6,691,130)	(20,462,907)
Purchase of Infrastructure Assets		(15,965,570)	(18,143,661)
Purchase of Plant and Machinery		(2,665,129)	(3,053,648)
Purchase of Furniture and Equipment		(155,765)	(163,738)
Purchase of Computer Equipment		(563,879)	(1,068,978)
Transfer to Reserves	11	(21,443,897)	(29,310,116)
		(73,586,808)	(96,492,393)

		Actual 2008/09	Budget 2008/09
	Notes	\$	\$
<b>Add Funding from</b>			
Contributions/Grants for the development of Assets		10,061,087	11,931,992
Proceeds on Sale of Assets	2d	6,974,571	13,524,280
Reserves	11	18,716,680	27,518,168
Deferred Pensioner Rates Movement		(1,932)	-
Proceeds from New Loans		-	3,000,000
		(37,836,400)	(40,517,953)
<b>Adjustments</b>			
Net movement in unspent grants & contributions		(844,538)	162,989
		(38,680,938)	(40,354,964)
Add: Opening Funds	29a	3,414,420	4,631,787
Less: Closing Funds	29b	(3,247,413)	(280,000)
<b>Amount Raised from Rates</b>		<b>(38,513,931)</b>	<b>(36,003,177)</b>

The Rate Setting Statement should be read in conjunction with the accompanying notes.

## 1. Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of this financial report are:

### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

### (b) The Local Government Reporting Entity

All Funds through which the Council 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.

### (c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

### (d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

### (e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised at fair value and interest is not

charged on overdue amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. Due to the materially insignificant value of bad debts, no provision for doubtful debts is made.

The credit terms relating to rate debtors are in accordance with the legislative requirements of the Local Government Act 1995 and are detailed separately at note 20.

### (f) Inventories

#### General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

#### Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

### (g) Fixed Assets

#### Initial Recognition

All non-current assets are recognised in accordance with the relevant Accounting standards.

Assets purchased or constructed that have a value above the council's prescribed threshold level are recorded as non-current assets. Assets with a value below the threshold level are treated as expenditure in the year of purchase.

The following categories are used to classify non-current assets owned or controlled by the City. The following capitalisation threshold levels have been applied to the recognition of non-current assets.

Where a quantity of assets is purchased and they are under the threshold limit, aggregation of these assets may apply and be capitalised accordingly.

Asset Class	\$
Land & Buildings	-
Furniture & Equipment / Computer Equipment	3,000
Plant & Machinery	3,000
Infrastructure Assets	5,000
Software	20,000

#### Revaluation

Subsequent to initial recognition of assets, and with the exception of the asset categories noted below, non-current assets are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. For those assets carried at revalued amount, revaluations are made with sufficient regularity to ensure that the carrying amount of each class of non-current asset does not differ materially from its fair value at the reporting date. Annual assessments of fair value are made by Council, supplemented by independent assessments where required.

For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Non-current assets carried at cost (including deemed cost) are:

- Plant and Machinery
- Furniture and Equipment
- Computer Equipment

#### Land under Roads

Effective from 1 July 2008, the City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available under Australian Accounting Standard AASB 1051 Land Under Roads and the requirement of Regulation 16(a)(i) of the Local Government (Financial Management) Regulations that prohibits local government from recognising such land as an asset of local government.

In respect of land under roads acquired on or

after 1 July 2008, as detailed above Regulation 16 (a)(i) of the Local Government (Financial Management) Regulations prohibits local government from recognising such land as an asset of local government.

### (h) Depreciation of Non-Current Assets

Non current assets (excluding infrastructure) are depreciated over their useful lives on a straight-line basis.

Infrastructure assets are depreciated on a basis that reflects their consumed economic benefit, which is reviewed each reporting period. Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation is recognised, as follows:

Property, Plant and Equipment	
Buildings	30-50 years
Furniture and Equipment	3-10 years
Computer & Electronic Equipment	3-5 years
Plant & Machinery	3-10 years
Infrastructure Assets	
Infrastructure – Footpaths	20-50 years
Infrastructure – Drainage	30-75 years
Infrastructure – Roads: Surface	15-20 years
Infrastructure – Roads: Base	50-80 years
Infrastructure – Roads: Sub-Base	80-100 years
Infrastructure – Roads: Kerbing	20-50 years
Infrastructure – Bridges	30-50 years
Infrastructure – Parks	10-30 years
Bus Shelters	15-40 years

### (i) Investments and Other Financial Assets

#### Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are

financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

#### ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

#### iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

#### iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

#### Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at

fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

#### Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

#### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

#### (j) Estimation of Fair Value

The fair value of financial assets and financial liabilities

must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

#### (k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

#### (l) Trade and Other Payables

Trade and other payables are carried at amortised

cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually settled within 30 days of recognition.

#### (m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

##### i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

##### ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

#### (n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### *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.

#### (o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

#### (p) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### (q) Joint Venture

The municipality's interests in joint ventures have been disclosed in Note 15.

#### (r) Rates, Grants, Donations & Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or,

where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(b). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

#### (s) Superannuation

The Council is a member of the Western Australian Local Government Superannuation Plan (WALGSP). This is a Defined Contributions Plan and Council contributes at the rate of 9% for the Superannuation Guarantee Charge, plus additional matching contributions of up to 4% where agreed.

#### (t) Rounding Off Figures

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

#### (u) Comparative Figures

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

#### (v) Current and Non-Current Classification

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

#### (w) Budget Information

Budget figures shown in the financial statements have been disclosed for information purposes only. Where necessary, budget information has been recast to comply with current presentation requirements. The

budget figures have been drawn from Council's adopted budget for the reporting year.

#### (x) 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The City of Cockburn utilises independent investment advisors Oakvale Capital Limited in assessing on a monthly basis the market value of interest bearing securities.

The advisors model valuations, which are based on future cashflows, are derived from a number of factors including information obtained from arrangers of individual securities and ratings agencies, reviews of the components of the relevant securities and also movements in applicable credit spreads.

As at 30 June 2009, as part of its investment portfolio of interest bearing securities, the City held investment in Credit Link Note Securities (CDO's with Corporate

Reference Entities), Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") totalling \$7,972,414. A provision for impairment of \$920,000 has been recognised in respect to the Asset Backed Securities. The securities are rated between BBB+ and BB+ by Standard and Pools.

In the case of these Credit Link Note Securities, Asset Backed Securities and Mortgage Backed Securities, recoverability is assessed based on estimates from issuers and /or evaluation models for which there is limited market evidence available to verify their reasonableness. It is possible that despite interest due being received, some or all of these securities may have suffered a permanent diminution in capital value. The extent of such permanent diminution in value of these investments that should have been taken directly to the income statement, as required under Australian Accounting Standards has not been determined.

#### (y) New Accounting Standards & Interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the City but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Council's assessment of these new standards and interpretations is set out on the next page.

New Standard	Superseded Standard	Impacts of amendments not yet effective	Effective date (reporting periods ending on or after)
Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	AASB 123 Borrowing Costs (July 2004)	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it had no borrowings at the reporting date.	31 December 2009
Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	AASB 101 Presentation of Financial Statements (July 2007)	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. The Council was not required to make any adjustments to prior year reports in the current financial statements.	31 December 2009
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Various	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.	31 December 2009
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Various	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.	30-Jun-10
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	AASB 1049 Whole of Government and General Government Sector Financial Reporting (October 2007)	The standard makes amendments to AASB 1049 to ensure consistency with AASB 101 Presentation of Financial Statements (September 2007).	31 December 2009
AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	Various	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.	30-Jun-10

## 2. Revenues and Expenses

### a. Statement of Objective

#### MISSION STATEMENT

Our mission is to make the district of the City of Cockburn the most attractive place to live, work and visit in the Perth metropolitan area.

The City of Cockburn has adopted the program/activity structure outlined in Schedule 1 of the Local Government (Financial Management) Regulations. The City has incorporated the allocation of internal service provision costs throughout the various programs/activities.

Council operations as disclosed in this budget encompass the following service orientated programs/activities:

#### General Purpose Funding

The collection of general-purpose revenue including rates and penalties, general-purpose grants and interest on investments. This provides the funding for much of the City's programs/activities.

#### Governance

The administration and operation of facilities and services to the elected members of Council. Also includes other corporate type costs that are not related to the specific service areas covered under the other programs.

#### Law, Order and Public Safety

Provision of community safety services including supervision of various by-laws, animal and dog control, a security patrol service, fire prevention and voluntary emergency services.

#### Health

The provision of environmental health services including food quality and pest control.

#### Education and Welfare

The provision of support services to families and children, the aged and disabled and senior citizens. The provision of pre-schools and services and facilities for the youth.

#### Community Amenities

Refuse collection, recycling and disposal, the operation of the Henderson Landfill site, protection of the environment, administration of the town planning scheme and maintenance of bus shelters.

#### Recreation and Culture

The provision and operation of community halls and recreation centres, parks and ovals, beach reserves and swimming areas and library facilities. The development and provision of arts and cultural events.

#### Transport

This program includes road, drainage and footpath construction and maintenance. The provision and maintenance of streetscapes is also included, as is the purchase of heavy plant and the operations of the council works depot

#### Economic Services

Activities associated with the control of building activity within the city and the provision of facilities and services that encourage tourism.

#### Other Property and Services

Includes private works and engineering overheads and plant operating costs (both of which are allocated to the City's works program).

**2b. Control Over Contributions**

	Actual 2008/09	Actual 2007/08
	\$	\$
Grants & contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended for specified purposes but have yet to be applied in that manner at the reporting date were:		
Road Construction & Development funds	428,109	563,550
Footpath Development Funds	48,161	7,280
Public Open Space Development Funds	713,862	1,815,740
Funded Projects & Social Services	2,299,048	1,065,525
Security Service Charges	456,405	435,295
	<b>3,945,585</b>	<b>3,887,390</b>
Grants & contributions which were recognised as revenues in the previous reporting periods and which were obtained on the condition that they be expended for specified purposes but have not yet been applied in that manner at the reporting date were:		
Footpath Development Funds	601,130	743,779
Public Open Space Development Funds	2,125,352	1,377,257
Drainage Development Funds	383,492	383,492
Midge Research	20,500	20,500
Bibra Lake Development funds	142,509	142,509
	<b>4,227,025</b>	<b>3,440,682</b>
<b>Total Unapplied Contributions</b>	<b>8,172,610</b>	<b>7,328,072</b>
Grants & contributions which were recognised as revenues in a previous reporting period and were expended during the current reporting period on the purposes specified by the contributor/grantor were:		
Road Construction & Development funds	563,550	1,752,997
Footpath Development Funds	149,929	64,083
Public Open Space Development Funds	1,067,646	250,501
Midge Research	-	-
Funded Projects & Social Services	521,824	1,120,749
Security Service Charges	435,295	295,988
	<b>2,738,245</b>	<b>3,484,318</b>

**2c. Assets Classified by Function**

Property Plant, Infrastructure and Depreciation Classified by Function and Activity

	CARRYING AMOUNTS		DEPRECIATION RAISED		
	Actual 2008/09	Actual 2007/08	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$	\$	\$
Governance	12,676,809	12,617,953	321,232	157,194	336,214
Law, Order and Public Safety	969,868	934,201	134,909	121,620	126,247
Health	2,030,793	1,780,211	4,517	4,517	9,588
Education and Welfare	2,128,345	3,913,821	26,965	40,065	16,784
Community Amenities	3,815,677	8,588,717	45,973	35,034	34,114
Recreation and Culture	77,892,129	66,793,250	1,615,554	1,261,637	1,286,725
Transport	416,539,975	412,697,538	11,136,110	10,733,131	10,176,452
Economic Services	146,958	152,035	1,921	1,920	1,920
Other Property and Services	137,993,210	143,963,673	3,247,336	2,690,336	2,660,745
<b>Total</b>	<b>654,193,764</b>	<b>651,441,398</b>	<b>16,534,516</b>	<b>15,045,454</b>	<b>14,648,790</b>

2d. Disposal of Assets

BY FUNCTION	NET BOOK VALUE		SALE PRICE		PROFIT/(LOSS)	
	Actual 2008/09	Budget 2008/09	Actual 2008/09	Budget 2008/09	Actual 2008/09	Budget 2008/09
Governance	831	-	-	-	(831)	-
Law, Order and Public Safety	-	-	21,000	-	21,000	-
Health	-	-	-	-	-	-
Education and Welfare	-	14,095	13,182	-	13,182	-
Community Amenities	-	-	-	-	-	-
Recreation and Culture	128,731	253,324	-	-	(128,731)	-
Transport	52,990	24,309	195,825	200,580	142,836	104,606
Economic Services	-	-	-	-	-	-
Other Property and Services	4,839,706	3,132,807	6,744,564	13,323,700	1,904,859	10,190,893
Total	5,022,257	3,228,781	6,974,571	13,524,280	1,952,315	10,295,499
<b>BY ASSET CLASSIFICATION</b>						
Land	4,654,359	2,980,000	6,572,940	13,165,000	1,918,581	10,185,000
Buildings	128,731	-	-	-	(128,731)	-
Infrastructure - Parks Equip't	-	-	-	-	-	-
Furniture and Equipment	11,104	2,290	-	-	(11,104)	-
Computers	831	186,993	-	-	(831)	-
Plant and Equipment	227,232	248,781	401,631	359,280	174,399	110,499
Total	5,022,257	3,228,781	6,974,571	13,524,280	1,952,315	10,295,499

2e. Change in Net Assets

	Actual 2008/09	Budget 2008/09	Actual 2007/08
The change in net assets resulting from Operations was arrived at after charging/crediting the following items:	\$	\$	\$
<b>AFTER CHARGING</b>			
Depreciation			
Buildings	2,529,868	2,019,908	1,749,099
Plant and Machinery	1,670,506	1,383,769	1,475,731
Furniture and Equipment	569,064	372,740	540,276
Infrastructure - Roads	7,857,603	7,717,677	7,280,170
Infrastructure - Drainage	2,459,468	2,192,642	2,118,577
Infrastructure - Footpaths	811,537	817,583	772,476
Infrastructure - Parks Equipment	636,470	541,135	712,461
	16,534,516	15,045,454	14,648,790
Interest on Borrowings			
Profit/(Loss) on Sale of Assets			
Proceeds from Disposal of Non Current Assets	6,974,571	13,524,280	1,971,016
Carrying Amount of Non Current Assets	(5,022,257)	(3,228,781)	(1,142,365)
	1,952,315	10,295,499	828,651
<b>AFTER CREDITING</b>			
Interest Earnings			
Interest received on Reserve Funds	1,482,988	1,257,386	630,416
Interest received on Other Funds	2,237,621	2,094,423	2,102,343
	3,720,610	3,351,809	2,732,759

**3. Cash & Cash Equivalents**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
Cash	2,106,284	10,101,573	1,277,450
Cash on Hand (Petty Cash)	10,765	-	9,370
Cash Investments	32,820,000	27,884,386	26,001,559
	34,937,048	37,985,959	27,288,378
Restricted	28,044,402	37,705,959	20,070,164
Unrestricted	6,892,646	280,000	7,218,215
	34,937,048	37,985,959	27,288,378
<b>SUMMARY OF RESTRICTED CASH</b>			
Sundry Deposits and Bonds (Non Current Payables)	2,432,465	3,400,453	3,647,648
Infrastructure Contributions	8,172,610	5,886,558	7,328,072
Sub-total	10,605,075	9,287,011	10,975,721
Less:			
Funds held in current & non-current investments	(2,260,976)	-	(3,027,621)
	8,344,099	9,287,011	7,948,100
Council Funded	25,961,020	21,215,255	20,160,159
Externally Funded	927,282	864,368	794,113
Development Contribution Plans	4,334,499	6,339,325	7,541,313
Sub-total	31,222,801	28,418,948	28,495,585
Less:			
Funds held in current & non-current investments	(11,522,498)	-	(16,373,521)
	19,700,303	28,418,948	12,122,064
<b>TOTAL RESTRICTED CASH</b>	<b>28,044,402</b>	<b>37,705,959</b>	<b>20,070,164</b>

**4. Investments**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>CURRENT</b>			
Held to Maturity Investments maturing within 12 mths of reporting period	1,831,060	-	3,402,472
	1,831,060	-	3,402,472
<b>NON CURRENT</b>			
Held to Maturity Investments maturing later than 12 mths from reporting period	12,872,414	-	17,878,670
Less: Provision for Impairment Charge [1]	(920,000)	-	(1,880,000)
	11,952,414	-	15,998,670

All funds held within Current & Non-Current Investments are restricted in nature (see note 3).

[1] This amount has been included as a separate line item in the Income Statement. Further information on Investments can be found in note 25.

**5. Trade & Other Receivables**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>CURRENT</b>			
Rates Outstanding	426,024	900,000	102,593
Rubbish Charges Outstanding	83,702	150,000	94,905
Sundry Debtors	4,694,817	3,500,000	4,046,963
GST Receivable	82,683	500,000	402
Prepayments	259,833	100,000	415,703
	5,547,060	5,150,000	4,660,565
<b>NON CURRENT</b>			
Rates Outstanding - Pensioners	453,262	415,227	451,331
	453,262	415,227	451,331

**6. Inventories**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
Depot Store	28,531	100,000	22,503
Land Held for Re-sale	2,389,491		
	2,418,022	100,000	22,503

**7. Payables****(a) Trade & Other Payables**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>CURRENT</b>			
Creditors	4,838,573	2,000,000	4,891,357
Income Received in Advance	559,606	50,000	96,627
GST Payable	7,896	200,000	3,904
	5,406,075	2,250,000	4,991,888
<b>NON CURRENT</b>			
Sundry Deposits and Bonds	2,432,465	3,400,453	3,647,648

**(b) Interest Bearing Liabilities**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>NON CURRENT</b>			
Secured by Floating Charge - Debenture	-	3,000,000	-

**8. Provisions**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>CURRENT</b>			
Provision for Annual Leave	2,357,450	1,800,000	2,203,547
Provision for Long Service Leave	1,457,299	1,200,000	1,291,428
	3,814,749	3,000,000	3,494,975
<b>NON CURRENT</b>			
Provision for Long Service Leave	596,086	550,489	556,784
Provision for Annual Leave	-	166,544	-
	596,086	717,033	556,784

<b>9. Property, Infrastructure, Plant and Equipment</b>	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>INFRASTRUCTURE - ROADS</b>			
At cost	332,727,204	323,487,437	319,242,203
LESS Accumulated Depreciation	104,916,207	103,527,288	97,058,604
	227,810,997	219,960,149	222,183,599
<b>INFRASTRUCTURE - DRAINAGE</b>			
At cost	185,402,552	157,925,689	184,388,863
LESS Accumulated Depreciation	52,117,328	51,472,117	49,657,860
	133,285,224	106,453,572	134,731,004
<b>INFRASTRUCTURE - FOOTPATHS</b>			
At cost	41,205,758	39,227,730	40,455,084
LESS Accumulated Depreciation	10,050,588	9,196,669	9,239,051
	31,155,170	30,031,061	31,216,033
<b>INFRASTRUCTURE - PARKS EQUIPMENT</b>			
At cost	22,991,446	15,358,455	12,141,130
LESS Accumulated Depreciation	9,038,661	3,735,114	3,443,229
	13,952,785	11,623,341	8,697,901
<b>INFRASTRUCTURE - PARKS LANDSCAPING</b>			
At cost	11,179,930	10,815,969	9,678,807
	11,179,930	10,815,969	9,678,807
<b>REFUSE SITE</b>			
At cost	12,827,936	13,712,809	7,868,265
	12,827,936	13,712,809	7,868,265
<b>LAND</b>			
At valuation	150,346,942	60,207,664	153,265,455
	150,346,942	60,207,664	153,265,455
<b>BUILDINGS</b>			
At cost	104,023,045	107,774,072	95,789,473
LESS Accumulated Depreciation	45,885,150	36,617,892	43,257,383
	58,137,895	71,156,180	52,532,090
<b>FURNITURE AND EQUIPMENT</b>			
At cost	2,902,621	2,964,716	3,046,400
LESS Accumulated Depreciation	1,592,874	1,832,740	1,674,359
	1,309,747	1,131,976	1,372,041
<b>COMPUTERS</b>			
At cost	3,107,376	3,596,534	2,545,274
LESS Accumulated Depreciation	2,326,732	2,115,643	1,967,644
	780,644	1,480,891	577,630

<b>9. Property, Infrastructure, Plant and Equipment (continued)</b>	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>PLANT AND MACHINERY</b>			
At cost	11,672,623	12,317,562	10,275,128
LESS Accumulated Depreciation	4,754,373	4,634,108	4,114,337
	6,918,250	7,683,454	6,160,791
<b>WORK IN PROGRESS</b>			
At cost	6,488,244	-	23,157,782
	6,488,244	-	23,157,782
<b>TOTAL PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>			
Gross Book Value	884,875,676	747,388,637	861,853,864
LESS Accumulated Depreciation	230,681,912	213,131,571	210,412,466
<b>NET BOOK VALUE</b>	<b>654,193,764</b>	<b>534,257,066</b>	<b>651,441,398</b>

### 10a. Movements in Carrying Amounts

The following table reconciles the carrying amount at the beginning and end of the current financial year for each class of non-current assets:

2008/09	Carrying amount at beginning of the year	add: Acquisitions	add: Gifted Development Assets (note 10b.)	add / (less) Revaluation increments/ (decrements)	less: Disposals & Write Offs	less: Gifted Development Assets Depreciation	less: Revaluation Depreciation	less: Depreciation	Carrying amount at end of the year
Plant & Machinery	6,218,791	3,627,665			-1,257,701			-1,670,506	6,918,250
Furniture & Equipment	1,372,042	407,646			-275,630			-194,311	1,309,747
Computer Equipment	577,630	605,533			-27,765			-374,753	780,644
Buildings	52,532,090	8,360,841	850,000		-553,000	-522,168		-2,529,868	58,137,895
Freehold Land	153,270,000	1,731,302			-4,654,359				150,346,942
Tip Site Infrastructure	7,868,265	4,959,671							12,827,936
Footpaths Infrastructure	31,216,033	750,674						-811,537	31,155,170
Drainage Infrastructure	134,731,004	1,013,689						-2,459,468	133,285,224
Roads Infrastructure	222,183,599	12,193,255	1,291,746					-7,857,603	227,810,997
Parks & Gardens Infrastructure									
Parks Equipment	9,678,807	1,501,122							11,179,930
Sub-Total Fixed Assets Register	8,697,901	2,648,673	5,097,158	4,166,319	-530,917	-1,980,716	-3,509,163	-636,470	13,952,785
Works in Progress	628,346,162	37,800,072	7,238,904	4,166,319	-7,299,373	-2,502,884	-3,509,163	-16,534,516	647,705,520
	23,095,236	-16,606,993							6,488,244
<b>Total</b>	<b>651,441,399</b>	<b>21,193,079</b>	<b>7,238,904</b>	<b>4,166,319</b>	<b>-7,299,373</b>	<b>-2,502,884</b>	<b>-3,509,163</b>	<b>-16,534,516</b>	<b>654,193,764</b>

### 10b. Recognition of Gifted Development Assets

Council was gifted infrastructure assets as a result of new subdivisions constructed by developers. The impact of recognising these assets in the accounts is an increase in the carrying amount of the city's infrastructure assets and the recognition of commensurate revenue within the income statement (reflecting that these assets were contributions received for no consideration). As these entries are of a non-cash nature, they do not impact adversely on the city's current financial position. However, they will result in increased depreciation expense charges for future accounting periods, reflecting the fact that these assets will, in time, need to be maintained and replaced.

During the reporting year, Council recognised gifted parks hard infrastructure assets for the very first time. This became achievable through the completion of an extensive inventory for all public open space assets. All assets identified as developer contributed within the inventory, were brought to account at their fair values. The values for gifted/contributed assets were calculated based on current replacement cost adjusted for depreciation to date as follows:

New Road Assets Recognised -	\$1,291,746
New Buildings Recognised -	\$327,832
New Park Equipment Recognised -	\$3,116,442
Revenue Recognised -	\$4,736,020

### 10c. Revaluation of Infrastructure Assets

During the reporting year, a management valuation was applied to all parks hard infrastructure assets as at 30 June 2009. Fair value was deemed to approximate the current replacement cost written down on the basis of age and condition. The information used for the management valuation was sourced from the inventory of public open space assets (prepared by the City's Parks & Environmental Services business unit during 2008/09).

Where certain details within the inventory listing were deemed insufficient for the purpose of the valuation, careful assumptions were required to be made by management in order to complete the valuation. These assumptions were limited to age and condition assessments.

The following table shows the impact of these revaluations on the Asset Revaluation Reserve:

#### Asset Revaluation Reserve Reconciliation

	Land	Building	Roads	Drainage	Parks Equipment	Footpaths	Total
Opening Balance 1 July 2008	148,145,550	17,468,617	74,288,481	83,866,406	-	18,531,791	342,300,844
Revaluation Increment/ (Decrement)					657,156		657,156
Closing Balance 30 Jun 2009	148,145,550	17,468,617	74,288,481	83,866,406	657,156	18,531,791	342,958,000

**11. Reserves**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>CASH BACKED RESERVES</b>			
<b>Staff Payments &amp; Entitlements</b>			
Opening Balance	2,730,476	3,083,488	2,835,373
Transfer from Accumulated Surplus - Interest	154,900	185,000	49,729
Transfer from Accumulated Surplus	410,632	100,000	100,000
Transfer to Accumulated Surplus	(116,742)	(120,000)	-
Transfer to Accumulated Surplus-Impairment	(335,818)	-	(254,626)
	2,843,448	3,248,488	2,730,476

This Reserve provides for payment of staff entitlements including leave, separation, bonus, awards and other payments made to Staff either through contractual or statutory entitlement.

**Plant & Vehicle Replacement**

Opening Balance	2,737,385	2,707,167	3,174,572
Transfer from Accumulated Surplus - Interest	128,230	148,000	61,583
Transfer from Accumulated Surplus	1,607,886	1,400,000	1,419,500
Transfer to Accumulated Surplus	(1,431,533)	(2,170,991)	(1,663,000)
Transfer to Accumulated Surplus-Impairment	(224,741)	-	(255,270)
	2,817,226	2,084,176	2,737,385

This Reserve provides for the orderly replacement of plant and vehicles. Annual transfers into this Reserve are equivalent to the depreciation charge for plant each year. Funds are drawn as required to meet annual plant replacement costs.

**Information Technology**

Opening Balance	1,109,801	955,403	1,185,046
Transfer from Accumulated Surplus - Interest	58,033	15,000	19,758
Transfer from Accumulated Surplus	154,628	50,000	38,165
Transfer to Accumulated Surplus	(426,377)	(1,007,583)	(29,675)
Transfer to Accumulated Surplus-Impairment	(113,112)	-	(103,493)
	782,973	12,820	1,109,801

This Reserve Fund was set up to provide for the upgrading/replacement of Council's computer hardware and software. An amount equivalent to the annual depreciation charge for computers is transferred to the Reserve each year. Funds are drawn as required to cover capital computer replacement costs.

**Major Building Refurbishment**

Opening Balance	607,684	1,081,268	3,342,263
Transfer from Accumulated Surplus - Interest	24,474	16,000	27,193
Transfer from Accumulated Surplus	118,425	100,000	924,068
Transfer to Accumulated Surplus	(509,176)	(738,450)	(3,629,170)
Transfer to Accumulated Surplus-Impairment	(19,919)	-	(56,669)
	221,488	458,818	607,684

This Reserve Fund was set up to provide funds for future major refurbishment requirements for Council buildings as they become necessary. The identified target balance for this Reserve is 10% of the insured value of buildings (\$7.5M). Annual transfers will be made to this Reserve (as able to be accommodated within any end of year surplus) in order to reach this target.

**11. Reserves (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Waste &amp; Recycling</b>			
Opening Balance	3,406,054	1,149,144	7,248,026
Transfer from Accumulated Surplus - Interest	169,593	320,000	129,054
Transfer from Accumulated Surplus	1,956,121	1,730,000	400,000
Transfer to Accumulated Surplus	(2,268,656)	(2,037,377)	(4,053,401)
Transfer to Accumulated Surplus-Impairment	(244,455)	-	(317,626)
	3,018,657	1,161,767	3,406,054

This Reserve Fund was initially set up for the funding of capital costs associated with the development of a rubbish disposal site. It was recognised that land would be expensive to purchase and the stringent environmental standards required would result in high development costs. Council has attained formal approval extending the operating licence for the landfill site until mid 2011. Transfers to this Reserve are made based on planned future capital funding requirements.

**Land Development**

Opening Balance	528,764	2,382,139	2,397,175
Transfer from Accumulated Surplus - Interest	49,754	50,000	24,247
Transfer from Accumulated Surplus	6,847,260	13,165,000	268,546
Transfer to Accumulated Surplus	(1,299,611)	(7,378,067)	(2,111,894)
Transfer to Accumulated Surplus-Impairment	(296,561)	-	(49,309)
	5,829,607	8,219,072	528,764

This Reserve Fund was set up for the disposal and purchase of land for Council use as required.

**Roads & Drainage Infrastructure**

Opening Balance	2,118,800	2,347,491	2,263,159
Transfer from Accumulated Surplus - Interest	92,949	44,000	47,528
Transfer from Accumulated Surplus	1,021,272	900,000	1,320,202
Transfer to Accumulated Surplus	(1,811,226)	(2,230,623)	(1,314,502)
Transfer to Accumulated Surplus-Impairment	(131,105)	-	(197,585)
	1,290,690	1,060,868	2,118,800

The purpose of this Reserve Fund is to provide for the renewal and refurbishment of roads and drainage infrastructure and for the provision of matching funds for Federal & State Government road grants.

**Naval Base Chalets**

Opening Balance	274,905	314,995	290,538
Transfer from Accumulated Surplus - Interest	15,029	21,000	4,924
Transfer from Accumulated Surplus	86,673	60,000	60,000
Transfer to Accumulated Surplus	(99,135)	(110,000)	(54,922)
Transfer to Accumulated Surplus-Impairment	(28,836)	-	(25,636)
	248,636	285,995	274,905

This Reserve Fund was initially set up to provide funds for the development & refurbishment of the Naval Base Chalet Resort. It is envisaged that it will also fund rehabilitation costs required to be incurred when the Park reverts back to the State Government. Annual transfers to this Reserve are fully funded by part of the lease income derived from the chalet sites.

**11. Reserves (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Mobile Rubbish Bins</b>			
Opening Balance	1,008,701	1,162,047	1,084,681
Transfer from Accumulated Surplus - Interest	54,790	62,000	18,084
Transfer from Accumulated Surplus	102,335	-	-
Transfer to Accumulated Surplus	(216,000)	(180,000)	-
Transfer to Accumulated Surplus-Impairment	(110,632)	-	(94,065)
	839,193	1,044,047	1,008,701

In 1989 Council introduced the use of Mobile Rubbish Bins for its waste collection service. In 1992, this reserve was established to provide for the replacement of the bins in due course. Based on current pricing for the bins, no additional transfers to this Reserve are required. Future interest earnings will maintain an adequate balance in this Reserve.

**Community Infrastructure**

Opening Balance	4,305,191	4,283,634	4,838,417
Transfer from Accumulated Surplus - Interest	205,252	60,000	100,970
Transfer from Accumulated Surplus	6,000,220	5,700,000	5,252,873
Transfer to Accumulated Surplus	(3,944,683)	(8,336,297)	(5,485,599)
Transfer to Accumulated Surplus-Impairment	(324,560)	-	(401,470)
	6,241,420	1,707,337	4,305,191

This Reserve Fund was set up to fund the provision of community and recreation facilities within the City as the need arises. The requirement for these facilities over the next five to ten years is significant due to the rapid rate of development within the city and the associated population growth. Accordingly, transfers to this Reserve need to be increased substantially in the future.

**Workers Compensation**

Opening Balance	203,965	232,924	178,831
Transfer from Accumulated Surplus - Interest	11,739	12,000	2,812
Transfer from Accumulated Surplus	99,822	-	41,342
Transfer to Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus-Impairment	(26,130)	-	(19,020)
	289,396	244,924	203,965

Council's Workers Compensation cover is provided by Municipal Workcare, which is a self-insurance scheme. If at a future date claims exceed income, then Council will be required to contribute further funds towards any deficit. These funds are held so that any additional contribution that may be called for would not impact on the annual budget.

**Green House Emissions Reductions**

Opening Balance	70,972	78,484	100,247
Transfer from Accumulated Surplus - Interest	4,017	6,000	1,288
Transfer from Accumulated Surplus	68,163	60,000	20,000
Transfer to Accumulated Surplus	(14,064)	(20,000)	(43,946)
Transfer to Accumulated Surplus-Impairment	(8,825)	-	(6,618)
	120,263	124,484	70,972

Council has resolved to allocate \$20,000 each year to this reserve fund. These funds will be used to undertake work that will result in a reduction in energy and greenhouse emissions.

**11. Reserves (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Development Contribution Plans</b>			
Opening Balance	7,541,313	4,968,075	5,996,318
Transfer from Accumulated Surplus - Interest	400,764	224,900	112,583
Transfer from Accumulated Surplus	588,614	4,335,130	2,896,730
Transfer to Accumulated Surplus	(4,196,191)	(3,188,780)	(1,464,318)
	4,334,499	6,339,325	7,541,313

This Reserve was established for the management of contributions and costs with respect to Development Contribution Areas as established by and in accordance with Town Planning Scheme 3.

**Family Day Care Building Maintenance**

Opening Balance	37,600	77,077	36,984
Transfer from Accumulated Surplus - Interest	2,844	2,500	617
Transfer from Accumulated Surplus	55,000	-	-
Transfer to Accumulated Surplus	-	-	-
	95,444	79,577	37,600

This is a Reserve Fund that applies to grant funded welfare services. It is fully funded from the operating grants received by the service and thus has no effect on the Municipal Fund.

**Aged and Disabled Vehicles**

Opening Balance	206,027	163,754	124,889
Transfer from Accumulated Surplus - Interest	16,895	4,000	2,340
Transfer from Accumulated Surplus	281,500	-	78,799
Transfer to Accumulated Surplus	(182,468)	-	-
	321,955	167,754	206,027

This is a Reserve Fund that applies to grant funded welfare services. It is fully funded from the operating grants received by the service and thus has no effect on the Municipal Fund.

**Family Day Care Vehicle**

Opening Balance	30,793	32,435	30,288
Transfer from Accumulated Surplus - Interest	1,780	2,000	505
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	32,573	34,435	30,793

This is a Reserve Fund that applies to grant funded welfare services. It is fully funded from the operating grants received by the service and thus has no effect on the Municipal Fund.

**Welfare Projects Employee Entitlements**

Opening Balance	519,692	556,016	531,392
Transfer from Accumulated Surplus - Interest	29,284	23,986	8,736
Transfer from Accumulated Surplus	2,600	2,600	-
Transfer to Accumulated Surplus	(74,266)	-	(20,436)
	477,310	582,602	519,692

This is a Reserve Fund that applies to grant funded welfare services. It is fully funded from the operating grants received by the service and thus has no effect on the Municipal Fund.

**11. Reserves (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Bibra Lake Nutrient Management</b>			
Opening Balance	156,161	177,455	142,954
Transfer from Accumulated Surplus - Interest	8,988	11,000	2,770
Transfer from Accumulated Surplus	43,506	25,000	25,000
Transfer to Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus-Impairment	(20,006)	-	(14,563)
	188,649	213,455	156,161

This Reserve Fund was established in 2002/03 to provide funds to manage the nutrients in Bibra Lake once an acceptable solution to the problem is found. An annual allocation of \$25,000 is made.

**Contaminated Sites**

Opening Balance	665,348	745,719	415,825
Transfer from Accumulated Surplus - Interest	38,083	40,000	11,569
Transfer from Accumulated Surplus	278,691	200,000	300,000
Transfer to Accumulated Surplus	(41,334)	-	-
Transfer to Accumulated Surplus-Impairment	(85,071)	-	(62,046)
	855,717	985,719	665,348

This Reserve is required to cover any costs associated with clean-up & remediation works at contaminated sites within the district as enforced by the Contaminated Sites Act.

**Municipal Elections**

Opening Balance	233,630	123,285	166,330
Transfer from Accumulated Surplus - Interest	13,446	10,000	4,087
Transfer from Accumulated Surplus	112,686	85,000	85,000
Transfer to Accumulated Surplus	(85,219)	-	-
Transfer to Accumulated Surplus-Impairment	(29,931)	-	(21,787)
	244,612	218,285	233,630

This Reserve has been established to provide funding to cover election expenses during election years. An amount will be transferred into this reserve in non-election years.

**DCD Redundancies Reserve**

Opening Balance	2,325	5,000	2,500
Transfer from Accumulated Surplus - Interest	140	-	42
Transfer from Accumulated Surplus	275	-	-
Transfer to Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus-Impairment	(298)	-	(217)
	2,441	5,000	2,325

This Reserve was created for the purpose of covering potential future redundancy costs for DCD funded services, as the funding agreement does not allow for these costs.

**11. Reserves (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Port Coogee Special Maintenance - SAR</b>			
Opening Balance	-	-	-
Transfer from Accumulated Surplus - Interest	2,004	-	-
Transfer from Accumulated Surplus	124,600	140,000	-
Transfer to Accumulated Surplus	-	-	-
	126,604	140,000	-

This Reserve was established this year to manage the funds raised through the specified area rate for the Port Coogee development. These funds are required for the specialised maintenance requirements of the development. The City commenced rating issued lots in 2008/09.

**Port Coogee Waterways Reserve**

Opening Balance	-	-	-
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	-	-	-

This Reserve was established to manage the funds paid by the developer of the Port Coogee marina development in accordance with the Waterways Environmental Management Plan (WEMP). The funds will be used to maintain and manage the marina when it comes under the City's control.

**SUMMARY CASH BACKED RESERVES**

Opening Balance	28,495,585	26,627,000	36,385,808
Transfer from Accumulated Surplus - Interest	1,482,988	1,257,386	630,416
Transfer from Accumulated Surplus	19,960,909	28,052,730	13,230,224
Transfer to Accumulated Surplus	(16,716,680)	(27,518,168)	(19,870,862)
Transfer to Accumulated Surplus-Impairment	(2,000,000)	-	(1,880,000)
<b>TOTAL CASH BACKED RESERVES</b>	<b>31,222,801</b>	<b>28,418,948</b>	<b>28,495,585</b>

**RESERVES OTHER**

<b>Asset Revaluation Reserve</b>			
Opening Balance	342,300,844	243,496,223	243,496,222
Revaluation increments made during the year	657,156	-	98,804,622
<b>TOTAL RESERVES OTHER</b>	<b>342,958,000</b>	<b>243,496,223</b>	<b>342,300,844</b>
<b>TOTAL RESERVES</b>	<b>374,180,801</b>	<b>271,915,171</b>	<b>370,796,429</b>

## 12. Superannuation

The Council contributes in respect to its employees to the WA Local Government Superannuation Plan ("the plan"), established for the purpose of all local governments in the state. In accordance with statutory requirements, the Council contributes to the plan amounts determined by the plan actuary.

As a defined contribution (accumulation) scheme, assets accumulate in the plan to meet members' benefits as they accrue. Therefore, Council has no liability at reporting date in respect of superannuation benefits for its' employees.

	Actual 2008/09	Actual 2007/08
	\$	\$
Contributory	386,767	329,516
S.G. Occupational	1,935,542	1,647,446
	2,322,310	1,976,962

## 13. Capital & Leasing Commitments

### Capital Commitments

At the reporting date, Council had the following commitments remaining for major purchases:

	\$
Regional Recreation Facilities - Success	4,601,714
Aubin Grove Fac - Design , Doc & Construction	2,201,191
Inter2350E Compactor Waste Collection	707,582
Russell Rd(Freeway/Frankland) Realignment	322,749
Memorial Hall - Redesign & Refurbishment	212,204
Regional Recreation Facilities - Success	203,870
Aubin Grove Fac - Design , Doc & Construction	120,208
Regional Recreation Facilities - Success	100,743
Spearwood Ave(Hamilton/Cockburn) Constuct dual	100,000
Election/Postal Voting Expenses	100,000
City Data & Voice Network	75,251
Detailed Groundwater Monitoring Assessment	72,092
Planning Services Tracking & Public Info	56,094
Regional Sports Facilities - Success - Design & Doc	55,384
Develop Lot 5 Bartram/Tapper Rd, Atwell	53,489
Renewable Energy Initiatives Group Projects	52,327
Project Contingency	48,730
Regional Recreation Facilities - Success	46,073
Develop Lot 5 Bartram/Tapper Rd, Atwell	37,967
Light Vehicles - Mgr Statutory Planning	34,767
Interim Seniors Centre CW Conversion	33,518
Spearwood Ave(Hamilton/Cockburn) Constuct dual	31,507
North Lake Rd (Bibra/Discovery) - Construct 2nd cwy	31,220
	9,298,681

### Leasing Commitments

Operating Lease Commitments : non-cancellable operating leases contracted for but not capitalised in the accounts.

	Actual 2008/09	Actual 2007/08
Payable:	\$	\$
Not later than 1 year	499,332	419,686
Later than 1 year but not later than 2 years	372,802	314,949
Later than 2 years but not later than 5 years	402,640	376,281
	1,274,773	1,110,916

**14. Notes to Cash Flow Statement****14a. Reconciliation of Net Cash Used in Operating Activities to Change in Net Assets Resulting from Operations.**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
Change in net assets resulting from Operating Activities	7,852,077	18,895,869	43,220,357
Add (Less) non-cash items:			
Depreciation	16,534,516	15,045,454	14,648,790
(Profit)/Loss on Sale of Assets	(1,952,315)	(10,295,499)	(828,651)
Impairment charge provision	2,000,000	-	1,880,000
Employee entitlements provision	359,076	-	231,625
Accrued investment income	71,411	-	(291,877)
Recognition of infrastructure assets previously not recognised	(4,736,020)	-	(39,945,083)
Less: Grants & Contributions for the Development of Assets	(5,325,068)	(11,931,992)	(7,913,113)
<b>Change in Assets and Liabilities:</b>			
[Increase]/Decrease in Rates Debtors & Deferred Rates	166,058	-	(69,160)
(Increase)/Decrease in Sundry Debtors	(730,136)	-	(179,271)
(Increase)/Decrease in Stock on Hand	(6,028)	-	24,563
Increase/(Decrease) in Creditors & Accruals	(48,792)	-	513,264
(Increase)/Decrease in Rubbish Debtors	11,203	-	(16,458)
Increase/(Decrease) on Income Received in Advance	(25,037)	-	(328,736)
(Increase)/Decrease in Prepayments	152,464	-	(205,232)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>14,323,412</b>	<b>11,713,832</b>	<b>10,741,021</b>

**14b. Reconciliation of Cash**

For the purpose of the Cash Flow Statement, the entity considers cash to include Cash on Hand and in Banks and investments in Money Market Instruments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related item in the Balance Sheet as follows: -

Cash at Bank	2,106,284	10,101,573	1,277,450
Cash on Hand (Petty Cash)	10,765	-	9,370
Cash Equivalent Investments	32,820,000	27,884,386	26,001,559
<b>CASH &amp; CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<b>34,937,048</b>	<b>37,985,959</b>	<b>27,288,378</b>

**15. Interests in Joint Venture Entities****South West Group**

The Council is a member participant of the South West Group along with the cities of Melville, Rockingham and Fremantle; and the towns of Kwinana & East Fremantle. Council's share in the net assets of the South West Group as at 30 June was:

	2008/09	2007/08
Amount of interest	\$82,237	\$73,416
Cost/profit sharing ratio	22.00%	20.33%

**Southern Metropolitan Regional Council (SMRC)****General Funds**

The Council is a member of the Southern Metropolitan Regional Council. SMRC was established in accordance with the Local Government Act 1995 and consist of seven local governments namely the cities of Canning, Cockburn, Fremantle, Melville, Rockingham and Towns of East Fremantle and Kwinana. Council's share in the net assets of the SMRC (excluding the RRRC project) as at 30 June was:

	2008/09	2007/08
Amount of interest	\$116,593	\$152,530
Cost/profit sharing ratio	19.40%	18.75%

The RRRC project is disclosed separately as it has a different cost/profit sharing ratio to that for the SMRC's general funds.

**Regional Resource Recovery Centre (RRRC)**

This project is undertaken on behalf of SMRC's five participating Councils being the cities of Canning, Cockburn, Fremantle, Melville and Town of East Fremantle. The venture was established through the SMRC as a major trading undertaking. The RRRC joint venture's principal activity is the development of a waste processing plant & recyclable & green waste facility at Canning Vale. Participating Councils are required to make quarterly contributions to cover the capital cost in the establishment of the facility and pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs. The required level of contribution for capital costs is based proportionately upon each participant's population as determined by the Australian Bureau of Statistics census. These are revised every 1 in 5 years over the life of the loan, with the next review due in the 2013/14 financial year. The ratio used for capital contributions is currently set at 26.95% Each project participant develops equity in the project via the payments made towards capital and its' share of profits & losses made each year (calculated in accordance with the ratio of past capital contributions). The Council's net interest in the RRRC joint venture as at 30 June was:

	2008/09	2007/08
Net Amount of Interest	\$1,190,928	\$1,286,036
Profit sharing ratio	26.95%	24.95%

Further information is provided in regard to the lending facility for the RRRC project under note 24. Contingent Liabilities.

**16. Fees and Charges**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>General Purpose Funding</b>			
Administration Fees	197,861	222,000	179,833
Rate Search Fees	59,221	46,000	55,601
Admin Fee - FESA	77,490	75,000	75,480
Other Fees & Charges	150	150	60
	<b>334,722</b>	<b>343,150</b>	<b>310,974</b>
<b>Governance</b>			
Administration Service Charges	22,881	21,400	24,724
Advertising Cockburn Soundings	-	-	-
Other Fees & Charges	17,542	15,423	23,864
	<b>40,423</b>	<b>36,823</b>	<b>48,589</b>
<b>Law, Order and Public Safety</b>			
Dog Registration Fees	86,900	100,000	104,244
Licences	11,701	7,500	6,732
Impounding Fees	16,538	26,800	14,180
Fines, Infringements & Penalties	107,691	82,900	88,157
Security Patrol Levy	2,211,006	2,050,000	2,031,158
Other Fees & Charges	2,853	298,988	7,870
	<b>2,436,689</b>	<b>2,566,188</b>	<b>2,252,340</b>
<b>Health</b>			
Administration, Application & Inspection Fees	15,707	16,000	13,581
Administration Fees & Licences	78,313	75,000	79,838
Fines & Penalties	35,324	10,000	16,251
Sundry Sales	356	1,900	1,104
Other Fees & Charges	1,947	2,800	1,148
	<b>131,648</b>	<b>105,700</b>	<b>111,922</b>
<b>Education and Welfare</b>			
Client Fees	514,238	472,744	438,079
Lease / Rental Income	39,284	40,420	20,519
Other Fees & Charges	99,593	186,090	20,942
	<b>653,115</b>	<b>699,254</b>	<b>479,540</b>
<b>Community Amenities</b>			
Planning Fees & Charges	948,949	1,253,950	1,167,254
Rubbish Removal Charges	9,207,330	8,697,000	8,216,499
Rubbish Tipping Fees	8,884,572	10,960,300	8,997,468
Other Fees & Charges	482,933	728,640	616,816
	<b>19,523,784</b>	<b>21,639,890</b>	<b>18,998,037</b>

**16. Fees and Charges (continued)**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$
<b>Recreation and Culture</b>			
Client Fees	11,073	16,000	15,217
Hall Hires	203,977	185,000	181,399
Reserve Hires	152,452	105,700	138,200
Leasehold Rentals	44,411	23,600	21,979
Recreation Centre Charges	2,080,105	1,926,127	1,850,975
Other Fees & Charges	63,522	27,462	49,182
	<b>2,555,540</b>	<b>2,283,889</b>	<b>2,256,951</b>
<b>Transport</b>			
Reinstatements Revenue	(523)	5,000	3,946
Supervision Fees	89,172	200,000	155,986
Other Fees & Charges	5,213	12,000	34,087
	<b>93,862</b>	<b>217,000</b>	<b>194,018</b>
<b>Economic Services</b>			
Building Licences	1,457,363	1,570,500	1,671,983
Caravan Park Leases / Licences	328,436	324,950	305,217
Assessment & Application Fees	11,562	12,000	11,375
Swimming Pool Inspection Fees	73,074	75,000	54,625
Fines & Penalties	320	2,000	-
Other Fees & Charges	24,989	26,000	25,358
	<b>1,895,743</b>	<b>2,010,450</b>	<b>2,068,558</b>
<b>Other Property and Services</b>			
Private Works Revenue	64,898	32,000	108,757
Lease / Rental Income	60,621	57,000	59,879
Other Fees & Charges	92,917	16,250	23,219
	<b>218,437</b>	<b>105,250</b>	<b>191,855</b>
<b>TOTAL FEES &amp; CHARGES</b>	<b>27,883,963</b>	<b>30,007,594</b>	<b>26,912,784</b>

**17. Other Expenses**

	Actual 2008/09	Budget 2008/09	Actual 2007/08
	\$	\$	\$

**a. Councillor's Remuneration**

The following fees, expenses and allowances were paid to councillors and the mayor:

Meeting Fees	71,822	100,000	77,000
Vehicle Mileage Claims	9,839	17,000	8,970
Mayoral/Deputy Mayoral Allowances	48,788	75,000	68,000
Communication Expenses	28,298	39,000	30,812
	158,747	231,000	184,782

**b. Auditors Remuneration**

Audit Services	28,430	22,500	28,398
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**c. Rental - Operating Leases**

	345,734	324,723	260,021
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**18. Financial Ratios**

	Actual 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06	Actual 2004/05
CURRENT Ratio (The Higher The Better)	1.61:1	2.78:1	2.52:1	2.97:1	2.49:1
DEBT Ratio (The Lower The Better)	1.65%	1.80%	2.32%	2.93%	3.40%
DEBT SERVICE Ratio (The Lower The Better)	n/a	n/a	n/a	n/a	n/a
RATE COVERAGE Ratio (The Higher The Better)	47.27%	38.63%	36.62%	37.95%	39.57%
OUTSTANDING RATES Ratio (The Lower The Better)	-0.17%	0.36%	0.27%	0.74%	1.99%
GROSS DEBT TO REVENUE Ratio (The Lower The Better)	n/a	n/a	n/a	n/a	n/a
UNTIED CASH TO TRADE CREDITORS Ratio (The Higher The Better)	1.42:1	1.48:1	1.99:1	3.17:1	3.02:1
GROSS DEBT TO ECONOMICALLY REALISABLE ASSETS Ratio (The Lower The Better)	n/a	n/a	n/a	n/a	n/a

The above ratios are calculated as follows:

**CURRENT RATIO:** Current assets - Restricted Assets / Current liabilities - liabilities associated with restricted assets.

Purpose: To assess the adequacy of working capital and the ability to satisfy obligations in the short term.

**DEBT RATIO:** Total liabilities / total assets.

Purpose: To identify exposure to debt by measuring the proportion of assets funded by creditors.

**DEBT SERVICE RATIO:** Debt service cost / Available operating revenue

Purpose: To assess the degree to which revenues are committed to the repayment of debt.

**RATE COVERAGE RATIO:** Net rate revenue / operating revenue

Purpose: To assess the degree of dependence upon revenue from rates.

**OUTSTANDING RATES RATIO:** Rates outstanding / rates collectable

Purpose: To assess the impact of uncollected rates on liquidity and the adequacy of recovery effort.

**GROSS DEBT TO REVENUE RATIO:** Gross Debt / Total Revenue

Purpose: To assess gross debt as a percentage of total revenue (excluding specific purpose grants).

**UNTIED CASH TO TRADE CREDITORS RATIO:** Untied cash/unpaid trade creditors

Purpose: To assess adequacy of cash available to meet trade creditors.

**GROSS DEBT TO ECONOMICALLY REALISABLE ASSETS RATIO:** Purpose: To assess gross debt as a % of realisable assets (ie. total assets excluding infrastructure assets).

**19. Discounts, Incentives, Concessions, & Write Offs****Discounts**

A 5% discount on all current rates is allowed if the total amount levied (including any arrears) is paid in full within 35 days from the date of issue of the rates notice. The objective of offering a discount is to encourage ratepayers to pay all outstanding amounts by the specified date. This leads to a stronger cash position for Council and the opportunity to maximise investment earnings.

	Discount	Actual 2008/09	Budget 2008/09	Actual 2007/08
	%	\$	\$	\$
General Rates	5	642,375	642,238	819,052

**Incentives**

Council provides a number of incentives to encourage ratepayers to pay their rates within the 35 day discount period. Those ratepayers randomly selected by the computer, are invited to the council chambers for the major draw. The Mayor and the sponsors of the draw pull names out of a barrel to establish which ratepayers have won which prizes.

**Prizes Offered As Early Payment Incentive:**

City of Cockburn: 4 x Cash prizes of \$1000 each.

Cockburn Gazette: 2 x Fremantle Flyer packages from Heliwest of \$135 each.

Cockburn Gateways Shopping City: 4 x \$1,000 cash prizes.

Aspen Parks: One night's accommodation for 2 in family cabin.

Bicton Travel: \$250 Travel Voucher.

Dell: Laptop computer to the value of \$799.

Fremantle Dockers: 2008 team signed jersey valued at \$1,000.

Melville Toyota: 2008 Toyota Yaris and \$120 service.

Good Guys O'Connor: 2 x 8GB iPod.

Good Guys O'Connor: 2 x 37" LG LCD TV

Good Guys O'Connor: 2 x Cannon IXUS 75 digital camera.

Shell: 2 x \$300 Shell fuel vouchers.

Solarhart: fully installed solar hot water system valued at \$4,500.

South Lakes Leisure Centre: 2 x 12-month fitness club memberships.

Stewarts Pest Control: Pest Management to the value of \$1200.

WASO: 2 x Double concert tickets.

**20. Interest Charges, Administration Fees and Instalments**

	Interest Rate	Admin Fee	Actual 2008/09	Budget 2008/09	Actual 2007/08
	%	\$	\$	\$	\$
Administration Fee		6.00	197,861	222,000	179,833
Penalty Interest	11.00	-	174,367	103,233	120,393
Instalment Interest	5.00	-	195,948	100,000	27,297

**Payment by Instalments**

Council offered instalment payment options of either two or four payments. The first instalment (inclusive of any arrears) had to be paid in full by the due date. Failure to pay the first instalment by the due resulted in the forfeiture of the instalment payment option. Ratepayers had the following options for paying their rates:

(a) Pay within 35 days & receive a 5% discount - due 19/8/08

(b) Pay in two instalments due:

1. 19/8/08
2. 13/1/09

(c) Pay in four instalments due:

1. 19/8/08
2. 21/10/08
3. 13/1/09
4. 3/3/09

**Administration Fees**

An administration charge of \$6.00 per instalment (excluding the first instalment) was payable during the year. The administration charge is made to cover the additional costs involved in administering the instalment scheme.

**Special Payment Arrangements**

Ratepayers who were unable to pay their account in full or according to the instalment plans offered were able to make special payment arrangements to extinguish their debt. A separate administration fee of \$20.00 was charged for these arrangements. Penalty interest was applied at the rate of 11% to any outstanding balance.

**Instalment Interest**

The Local Government Act allows for interest to be charged on overdue amounts. The Council charged interest at the rate of 5% on outstanding rates for the year under review. This charge covered the opportunity cost of lost income on investment that would otherwise be received had the instalment options not been exercised. The maximum rate of interest allowed to be imposed on outstanding amounts under S6.45(4)(e) of the Local Government Act is 5.5%

**Penalty Interest - Rates**

Penalty interest was levied where payment in full or the first instalment was not received within thirty-five days of the issue of the rate notice. The rate charged was 11% pa on the daily balance. The maximum rate of interest allowed to be imposed on overdue rates and service charges under S6.51(1) of the Local Government Act is 11%.

**Penalty Interest - FESA**

The Minister for Emergency Services deemed the penalty interest rate for 2008/09 to be 11% on outstanding balances. Interest was levied where payment in full or the first instalment was not received within thirty-five days of the issue of the rate notice.

**21a. Prescribed Service Charges****Property Surveillance & Security**

Section 6.38 of the Local Government Act 1995 allows Council to impose service charges on owners or occupiers to meet the costs of providing a prescribed service in relation to the land. Section 54 of the Local Government (Financial Management) Regulations 1996 prescribes the provision of a security services as an allowable service charge. In accordance with Section 6.32 of the Local Government Act 1995, Council imposed a whole of district security patrol service charge during the reporting year. Financial details for this charge are as follows:

Amount of each service charge:	\$59.00
Total amount of revenue collected from service charge for 2008/09:	\$2,211,270
Add: Amount of funds b/f from previous year for unspent service charges	\$435,295
Less: Amount of total funds applied during the reporting year in meeting the costs of the service in a cost sharing arrangement with the City of Melville were:	\$2,189,896
Amount of funds un-applied as at 30 June 2008 (carried forward into the following year to meet future service costs).	\$456,405

**21b. Other Service Charges****Private Swimming Pool Inspection Fees**

Council resolved in accordance with the provisions of Section 245A (8) of the Local Government (Miscellaneous Provisions Act 1960) to impose a charge of \$13.75 (gst incl.) for the reporting year on those properties with private swimming pools. This is an annual charge that covers the cost of carrying out periodical inspections on all swimming pools.

**Domestic Refuse Charge**

In accordance with the provisions of the Health Act 1911 Section's 344C and 112A(1)(b), Council imposed for the reporting year the following charges for the removal of house and trade refuse and other rubbish from premises :

Commercial, industrial and residential rubbish removal per 240 litre bin service:	\$256.00
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## 22. Statement of Rating Information for Year Ended 30 June 2009

PARTICULARS	NON-MINIMUM					MINIMUM						TOTALS				
	Qty	Rateable value	Rate in \$	Yield	Budget	Qty	Rateable Value	Amount	Yield	Budget	Qty	Rateable Value	Yield	Budget	% of Ratebase	
		\$	cents	\$	\$		\$	\$	\$	\$	No.	\$	\$	\$		
GRV																
Residential - Improved	21,062	264,572,319	5.698	15,076,125	14,183,771	7,920	65,102,132	534	4,229,280	4,227,144	28,982	329,674,451	19,305,405	18,410,915	52.58%	
Residential - Vacant	2,186	42,424,190	7.500	3,181,814	3,890,370	21	101,404	534	11,214	5,340	2,207	42,525,594	3,193,028	3,895,710	8.70%	
Building WIP	973	13,281,700	5.698	756,831	689,801	100	823,050	534	53,400	48,594	1,073	14,104,750	810,231	738,395	2.21%	
Commercial - Improved	278	15,126,712	6.824	1,032,262	943,320	79	487,908	794	62,726	57,962	357	15,614,620	1,094,988	1,001,282	2.98%	
Commercial - Vacant	33	1,463,250	10.831	158,491	145,926	7	19,145	794	5,558	5,558	40	1,482,395	164,049	151,484	0.45%	
Large Commercial - Improved	10	26,092,832	7.824	2,041,529	1,969,305	0	0	0	0	0	10	26,092,832	2,041,529	1,969,305	5.56%	
Industrial - Improved	884	62,007,813	6.824	4,231,475	4,232,271	177	1,591,474	794	140,538	150,066	1,061	63,599,287	4,372,013	4,382,337	11.91%	
Large Industrial - Improved	31	32,876,396	7.824	2,572,282	2,542,696	0	0	0	0	0	31	32,876,396	2,572,282	2,542,696	7.01%	
Industrial- Vacant	400	11,662,450	10.831	1,263,207	1,270,263	1	1,450	794	794	794	401	11,663,900	1,264,001	1,271,057	3.44%	
Jandakot City	1	3,921,787	8.850	347,078	240,679	0	0	0	0	0	1	3,921,787	347,078	240,679	0.95%	
Specified Area Rate - Port Coogee Mtc	86	5,638,500	1.000	56,385		1	5,750	100	100	0	87	5,644,250	56,485		0.15%	
Total GRV	25,944	479,067,949		30,717,479	30,108,402	8,306	68,132,313		4,503,610	4,495,458	34,250	547,200,262	35,221,089	34,603,860	95.94%	
UV																
UFL - Rural General	14	20,210,000	0.157	31,629	37,216	10	4,580,000	794	7,940	7,146	24	24,790,000	39,569	44,362	0.11%	
Resource	562	318,545,000	0.157	498,523	582,063	3	990,000	552	1,656	1,656	565	319,535,000	500,179	583,719	1.36%	
Resource - Industrial	9	24,380,000	0.174	42,372	37,176	3	13,430	794	2,382	2,382	12	24,393,430	44,754	39,558	0.12%	
Resource - Commercial	16	14,920,000	0.174	25,931	8,794	1	355,000	794	794	794	17	15,275,000	26,725	9,588	0.07%	
Resource - Vacant	63	39,570,000	0.262	103,713	0	2	476,000	803	1,606	0	65	40,046,000	105,319	0	0.29%	
Rural General	268	206,515,000	0.157	323,196	608,136	18	4,900,000	552	9,936	11,040	286	211,415,000	333,132	619,176	0.91%	
Rural General - Commercial	25	46,260,000	0.174	80,400	28,590	7	3,035,000	794	5,558	5,558	32	49,295,000	85,958	34,148	0.23%	
Rural General - Industrial	9	20,090,000	0.174	34,916	19,240	7	2,536,234	794	5,558	9,528	16	22,626,234	40,474	28,768	0.11%	
Rural General - Vacant	87	119,425,000	0.262	313,013	0	4	465,350	803	3,212	0	91	119,890,350	316,225	0	0.86%	
Total UV	1,053	809,915,000		1,453,693	1,321,214	55	17,351,014		38,642	38,104	1,108	827,266,014	1,492,335	1,359,318	4.06%	
Total Rates Levied													36,713,424	35,963,177		
OTHER ITEMS																
Part Year Rating - Specified Area Rate (Port Coogee)				68,115	140,000								68,115	140,000		
Part Year Rating - Other				2,025,960	300,000								2,025,960	300,000		
Less: Discount Allowed				(642,375)	(500,000)								(642,375)	(500,000)		
Rate Interest				195,948	60,000								195,948	60,000		
Rate Penalty				174,366	40,000								174,366	40,000		
Total Other Items				1,822,015	40,000								1,822,015	40,000		
TOTAL RATES	26,997	1,288,982,949		33,993,187	31,469,615	8,361	85,483,327	0	4,542,252	4,533,562	35,358	1,374,466,276	38,535,439	36,003,177	100%	

### 23. Net Current Asset Position

The net current asset position balance (adjusted for Restricted assets ) carried forward from the previous financial year for the purpose of the 2008/09 budget was \$4,631,787 The net current asset position balance (adjusted for Restricted assets) shown in the audited financial report as at 30 June 2008 was \$3,414,420

### 24. Contingent Liabilities

#### Regional Resource Recovery Centre- Lending Facility

Council is a participant in the Regional Resource Recovery Centre Joint Venture. The project was established through the Southern Metropolitan Regional Council (SMRC) and involves the cities of Canning, Cockburn, Fremantle, Melville and the Town of East Fremantle in the development of a waste processing plant and a recyclable and green waste facility at Canning Vale. The capital construction of the facility is funded by borrowings from Western Australian Treasury Corporation. A \$40 million lending facility was initially set up for this purpose, repayable over a term of 20 years. This facility has since been extended to a total of \$55 million. The SMRC administer the borrowings and the project participants make quarterly contributions equal to the repayment costs of these borrowings. The Council's estimated share of the project funding is based upon population percentages as derived from the Australian Bureau of Statistics census. These are revised every 1 in 5 years over the life of the loan. Council's share was increased in the 2008/09 year to 26.95% (previously 25.24%). This was due to an increase in the Council's population ratio relative to the other project participants. As at 30th June 2009, the balance outstanding against the lending facility stood at \$48,770,071 with Council's share of this liability being \$13,144,612 (calculated using the ratio of 26.95%). Council's annual contribution towards the repayment of interest and principal on the lending facility is currently around \$1.23 million (approx. \$41 per household). Council has guaranteed by way of agreement its share of the loan liability to the SMRC and the Western Australian Treasury Corporation (funding body).

#### SMRC Administration Building - Lending Facility

As a SMRC participant, Council has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million. As at 30th June 2009, the balance outstanding against this facility stood at \$1,800,000 with Council's share of this liability being \$349,200 (using the current cost/profit sharing ratio of 19.40%).

### 25. Financial Risk Management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council. Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by the finance area under policies approved by the Council.

	Carrying Value		Est. Fair Value	
	Actual 2008/09	Actual 2007/08	Actual 2008/09	Actual 2007/08
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	34,937,049	27,288,378	34,937,049	27,288,378
Held-to-maturity investments	(i) 13,783,474	19,401,142	11,617,050	18,600,000
Receivables	6,000,332	5,111,896	6,000,332	5,111,896
	54,720,855	51,801,416	52,554,431	51,000,274
<b>Financial Liabilities</b>				
Payables	7,838,540	8,639,536	7,838,540	8,639,536

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value. Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

(i) For further commentary regarding the fair value determination of these financial assets please refer to note 1-j and 1-x.

#### (a) Risk Assessment - Cash & Cash Equivalents and Investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	Actual 2008/09	Actual 2007/08
Impact of a 5% (*) movement in price of investments:	\$	\$
- Equity	2,938,004	1,000,000
- Income Statement	2,938,004	(+) 1,000,000
Impact of a 0.5% (*) movement in interest rates on cash and investments:		
- Equity	293,800	300,000
- Income Statement	293,800	(+) 300,000

(\*) Sensitivity percentages based on management's expectation of future possible market movements. Recent market volatility has seen large market movements for certain types of investments.

(+) Maximum impact.

**(b) Receivables**

Council'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. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council 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 benchmarks are set and monitored for acceptable collection performance. Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

	Actual 2008/09	Actual 2007/08
<b>Percentage of Rates and Annual Charges</b>		
- Current	47%	70%
- Overdue	53%	30%
<b>Percentage of Other Receivables</b>		
- Current	67%	89%
- Overdue	33%	11%

**(c) Payables & Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council 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.

	Due within 1 year \$	Due between 1 & 5 years \$	Total contractual cash flows \$
<b>2009</b>			
Payables	5,406,075	2,432,465	7,838,540
<b>2008</b>			
Payables	4,991,888	3,647,648	8,639,536

**(d) Interest Rate Risk Profile**

The City is exposed to interest rate risk through primary financial assets and liabilities. The following table summaries interest rate risk for the City, together with the effective interest rates as at 30th June 2009.

2008/09	Average Interest Rate	Fixed Interest Rate Maturity					Total
		Floating Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non-Interest Bearing	
	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash	3.00	2,448,109					2,448,109
Direct Securities	4.26		500,000	6,552,414			7,052,414
FRN's & TD's	6.36		32,820,000	4,400,000	2,000,000		39,220,000
Receivables	5.00	453,262				5,547,060	6,000,322
<b>Total</b>		<b>2,901,371</b>	<b>33,320,000</b>	<b>0,952,414</b>	<b>2,000,000</b>	<b>5,547,060</b>	<b>54,720,845</b>
<b>Financial Liabilities</b>							
Accounts Payable	-					5,406,075	5,406,075
Deposits/Bonds	6.36		486,913			1,945,552	2,432,465
Employee Entitlements	-					4,410,834	4,410,834
<b>Total</b>		<b>-</b>	<b>486,913</b>	<b>-</b>	<b>-</b>	<b>11,762,461</b>	<b>12,249,374</b>

The following table provides comparatives as at 30th June 2008:

2007/08	Average Interest Rate	Fixed Interest Rate Maturity					Total
		Floating Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non-Interest Bearing	
	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash	5.50	1,277,450	-	-	-	9,370	1,286,820
Direct Securities	7.49	-	2,000,000	6,598,670	6,000,000	-	14,598,670
Managed Cash Funds	8.45	14,069,277	-	-	-	-	14,069,277
FRN's & TD's	8.00	-	13,334,753	3,400,000	-	-	16,734,753
Receivables	6.00	451,331	-	-	-	4,660,565	5,111,896
<b>Total</b>		<b>15,798,058</b>	<b>15,334,753</b>	<b>9,998,670</b>	<b>6,000,000</b>	<b>4,669,935</b>	<b>51,801,416</b>
<b>Financial Liabilities</b>							
Accounts Payable	-	-	-	-	-	4,991,888	4,991,888
Deposits/Bonds	5.50	-	458,626	-	-	3,189,022	3,647,648
Employee Entitlements	-	-	-	-	-	4,051,759	4,051,759
<b>Total</b>		<b>-</b>	<b>458,626</b>	<b>-</b>	<b>-</b>	<b>12,232,669</b>	<b>12,691,295</b>

**(e) Impairment of Investment****Argon Investment**

The City received advice from Oakvale in February 2009 that the Helium notes within the Argon structured investment had defaulted. Under the capital protection mechanism within Argon, this event triggered the exercising of a put option. Accordingly, the City received \$2M proceeds from the puttable CBA bond in April 2009. As a result of this default event within Argon, Council booked an impairment charge to the Income Statement of \$2M during 2008/09, representing the underlying value of the Helium notes charged within the Argon structure. The Argon structure has effectively dissolved due to the default event and all that remains from it within Council's investment portfolio as at 30 June 2009, is a CBA zero coupon bond with a AA credit rating. The bond is being carried at \$2.0M and has a face value of \$4.0M, maturing in January 2018. The current market value at 30 June 2009 is \$2.28M (as supplied by Council's independent financial advisor).

**CLEAR & Momentum Investments**

The City provided an impairment charge for two of its CDO's (Asset Backed and Credit Linked) investments in the 2007/08 financial statements as a result of volatility in world financial markets and the uncertain nature of measuring the value of the investments with any certainty. During the 2008/09 year, the Momentum investment defaulted and the impairment provision was taken up. The impaired carrying amount of \$40k was written off. The other investment impaired during the 2007/08 year was CLEAR PLC Series 34. This is yet to technically default as at 30 September 2009. CLEAR remains the only impaired investment in Council's portfolio. Details as at 30 June 2009 are as follows:

Investment	Purchase Value	Impairment Provision (made in 2007/08)	Carrying Amount at 30 June 2009	Impaired Market Value as at 30/9/09	Income Since Impairment (post 30 June 2008)
	\$	\$	\$	\$	\$
C.L.E.A.R. (Asset Backed)	1,000,000	920,000	80,000	1,434	71,305
Total	1,000,000	920,000	80,000	1,434	71,305

**26. Major Land Transactions**

Council is required to prepare a business plan for the development & sale of any land that meets the definition of a 'major land transaction' under S3.59 of the Local Government Act 1995 and reg. 7 of the Local Government (Functions and General) Regulations 1996. Further, it is also required to disclose in the annual financial report, certain information regarding 'major land transactions' in accordance with regs. 46 & 47 of the Local Government (Financial Management) Regulations 1996. Council continued with the following major land transaction during the year :

**(a) Development & Sale of Lot 5 Cnr Bartram Road and Tapper Road, Atwell.**

In August 2006, Council resolved to subdivide, develop and sell its land holding at lot 5 Bartram Rd, Atwell. The following information summaries the forecast financial impact on the council:

Transaction Details	Prior Year Actuals	Actual 2008/09	Whole of life Total
	\$	\$	\$
Income from Sales	-	6,519,136	6,519,136
Development/Selling Costs	(1,410,806)	(532,871)	(1,943,677)
Value of undeveloped land	(5,000,000)		(5,000,000)
Net Position	(6,410,806)	5,986,265	(424,541)

There were no liabilities in relation to this land as at 30 June 2009

Expected Future Cash Flows	2009/10
Cash Outflows	\$
Development/Selling Costs	(100,000)
Cash Inflows	
Income from Sales	2,823,272
Net Cash Flows	2,723,272

**(b) Lot 7 Cockburn Central - Purchase and Development**

Council resolved to purchase lot 7 Cnr Linkage Avenue & Junction Boulevard, Jandakot to develop into a commercial, retail and civic complex in conjunction with Combined Equity Pty Ltd as determined by council.

Transaction Details	Prior Year Actuals	Actual 2008/09	Whole of life Total
	\$	\$	\$
Income from Sales	-	-	0
Development Agreement Contributions	(552,041)	(426,255)	(978,296)
Purchase of Land	(2,120,542)	-	(2,120,542)
Net Position	(2,672,583)	(426,255)	(3,098,838)

Due to the downturn in global economic conditions over the past couple of years and the impact this has had on Perth's property development sector, this project was assessed as unviable. Consequently, Council and Combined Equity mutually agreed to abandon the project in its current form. As a result, development costs accumulated to date of \$978,296 were written off to the Income Statement. Council is currently assessing its options with regard to this land holding.

**Expected Future Cash Flows**

Should Council decide to sell the land holding or be required to, it will receive the sale proceeds at the prevailing market value.

**27a. Remuneration of Senior Employees**

Regulation 19B of the Local Government (Administration) Regulations 1996 requires Council to disclose the number of employees entitled to an annual cash salary of \$100,000 or more:

	Actual 2008/09	Actual 2007/08
Annual Salary between:	No.	No.
\$100,000 and \$109,999	3	4
\$110,000 and \$119,999	3	2
\$120,000 and \$129,999	-	1
\$130,000 and \$139,999	2 (**)	-
\$140,000 and \$149,999	2 (**)	1
\$150,000 and \$159,999	-	2
\$160,000 and \$169,999	-	-
\$170,000 and \$179,999	-	-
\$180,000 and \$189,999	-	-
\$190,000 and \$199,999	-	-
\$200,000 and \$209,999	-	-
\$210,000 and \$219,999	-	-
\$220,000 and \$229,999	1 (*)	-
\$230,000 and \$239,999	-	1
\$240,000 and \$249,999	-	-
<b>Total</b>	<b>11</b>	<b>11</b>

The above information does not include the payment of motor vehicle allowances of \$19,800 for 2 senior employees (\*\*) and \$18,000 for 1 senior employee (\*)

**27b. Number of Employees**

	Actual 2008/09	Actual 2007/08
	No.	No.
	364	319

**28. Economic Dependency**

A significant portion of Council's revenue is received by way of grants from the State and Federal Government.

	Actual 2008/09	Actual 2007/08
	\$	\$
The total of grant revenue from government sources:	11,250,631	8,874,340

**29a. Determination of Opening Funds**

	Actual 2008/09	Actual 2007/08
	\$	\$
<b>Current Assets</b>		
Cash & Cash Equivalents	27,288,378	40,128,428
Investments Held to Maturity	3,402,472	16,110,595
Trade & Other Receivables	4,660,565	4,226,548
Inventories	22,503	47,066
	35,373,918	60,512,637
<b>Current Liabilities</b>		
Trade & Other Payables	(4,991,888)	(4,807,360)
Provisions	(3,494,975)	(3,103,101)
	(8,486,863)	(7,910,461)
<b>Net Current Assets</b>	26,887,055	52,602,176
Less:		
Restricted Cash - Reserve Funds	(28,495,585)	(36,385,808)
Restricted Cash - Deposits & Bonds	(3,647,648)	(4,413,443)
Committed Cash (unspent grants & contributions)	(7,328,072)	(6,925,001)
	(12,584,250)	4,877,925
Add:		
Restricted Financial Assets held in Non Current Investments	15,998,670	-
Add:		
Leave Provisions - cash-backed	-	2,835,373
Opening Funds in Rate Setting Statement	3,414,420	7,713,298

**29b. Determination of Closing Funds**

<b>Current Assets</b>		
Cash & Cash Equivalents	34,937,049	27,288,378
Investments Held to Maturity	1,831,060	3,402,472
Trade & Other Receivables	5,547,060	4,660,565
Inventories	2,418,022	22,503
	44,733,190	35,373,918
<b>Current Liabilities</b>		
Trade & Other Payables	(5,406,075)	(4,991,888)
Provisions	(3,814,749)	(3,494,975)
	(9,220,824)	(8,486,863)
<b>Net Current Assets</b>	35,512,366	26,887,055
Less:		
Restricted Financial Assets - Reserve Funds	(31,222,801)	(28,495,585)
Land Held for Re-sale	(2,389,491)	-
Restricted Financial Assets - Deposits & Bonds	(2,432,465)	(3,647,648)
Committed Financial Assets (unspent grants & contributions)	(8,172,610)	(7,328,072)
	(8,705,001)	(12,584,250)
Add:		
Restricted Financial Assets held in Non Current Investments	11,952,414	15,998,670
Add:		
Leave Provisions - cash-backed	-	-
Closing Funds in Rate Setting Statement	3,247,413	3,414,420

**30. Events Subsequent to Balance Date**

Becoming effective 14 August 2009, the City will mutually terminate the development agreement with Combined Equity Pty Ltd to jointly develop Lot 7 Cockburn Central due to the global financial crisis impacting on the ability to sell residential apartments due to be constructed as part of the commercial, civic and residential development. All parties to the development agreement agreed to carry their own costs incurred with the development and not pursue other parties for any costs outstanding. The City will retain ownership of the land. The City will seek to expense any cost incurred rather than carry the cost forward. The City will carry forward the capital cost of the land acquired from Landcorp.

Transaction Details	Prior Year Actuals	Actual 2008/09	Whole of Life Total
	\$	\$	\$
Income from Sales	-	-	-
Development Agreement Contributions	(552,041)	(426,255)	(978,296)
Purchase of Land	(2,120,542)		(2,120,542)
Net Position	(2,672,583)	(426,255)	(3,098,838)

