

# CITY OF COCKBURN

ANNUAL REPORT 2007





## INDEX

Message from the Mayor .....	2
Report of the Chief Executive Officer .....	3
Our Mission.....	4
Measuring Our Performance .....	4
Demographic Data .....	8
The Year Ahead .....	9
National Competition Statement.....	10
Community Services .....	11
Engineering And Works Division.....	18
Planning and Development Division.....	21
Finance & Corporate Services Division .....	25
Financial Statements.....	30



## MESSAGE FROM THE MAYOR

The City of Cockburn is growing at such a rapid rate that in less than 10 years we will become one of Perth's major tourist, residential and industrial precincts, and a lot has been achieved over the past year, shaping the way for a bigger and better Cockburn.

As our businesses are starting to grow and prosper and through new community infrastructure the social needs and lifestyle of our residents are greatly improving.

Industrial growth in Cockburn is booming and is increasing at around five per cent per year. Council's vision of making Cockburn an industrial and residential powerhouse is beginning to unfold with the new industrial and business parks under construction in Cockburn, Yangebup and Jandakot.

Cockburn Central is progressing well with new developments including the Youth Centre now under construction that will see Cockburn Central become a hub of activity in no time.

Coogees' coastal strip is starting to take shape and some of the best land in the Perth metropolitan area became available in 06-07, drawing new residents to the area. The Port Coogee and South Beach developments are the two bookends of this wonderful area and much progress has been made on the new marina.

It is important to mention that all of this growth and development will not be at the expense of the environment. As a Council, we are serious about moving towards a sustainable future and reducing our ecological footprint. For the 2006/07 year, Cockburn abated a total of 103,996 tonnes of carbon dioxide. This has been achieved through a number of initiatives including an advanced recycling and waste minimisation program through our involvement with the Southern Metropolitan Regional Council's recycling plant and the recently adopted Water Conservation Strategy, where some 7.4 million litres of groundwater per day will be intercepted at Port Coogee.

I'm very fortunate to be working alongside such a dedicated team of Councillors, every one of whom is committed to working to improve the future of the district, and I thank them all for their valuable contribution.

I would also like to give a big thank you to the staff of Cockburn, whose hard work is helping build a stronger and more vibrant community.

I am very proud to lead the City through a time of immense growth and economic optimism, and I am pleased to present our Annual Report for your consideration.

Mayor  
Stephen Lee



## REPORT OF THE CHIEF EXECUTIVE OFFICER

The recently released 2006 ABS Census data has confirmed that the City of Cockburn remains one of Perth's fastest growing and culturally diverse cities. It also confirmed that the City's economic growth is strong and we are achieving a greater level of self-sufficiency in employment. On the development front, many milestone projects commenced and were completed that seek to improve our liveability, employment and tourism. These included:

- Final stages of the Southern Suburbs Railway within the district and opening of the new bus interchange at Cockburn Central.
- The completion of the marina seawalls and first land sales in Port Coogee.
- Completion of the South Beach land redevelopment with the remediation works at the ANI site in North Coogee. Stockland won a State CCF Earth Award for Excellence in Civil Construction projects around Australia.
- Development plans for a new Youth Centre and refurbishment of Memorial Hall.
- Expansion of Phoenix Park Shopping Centre facilities and Cockburn Gateways Shopping Centre, the latter included an expansion of the Success library.
- Significant construction of new businesses in the Cockburn, Yangebup and Jandakot business parks. The Australian Marine Complex also had significant construction commence and the State Government announced a further \$174 million of infrastructure projects that will be developed in this precinct.
- Latitude 32, the new name of the Hope Valley Wattleup industrial area, was also launched. This area will tie in with the proposed Fremantle Outer Harbour and create a major logistics gateway into the State.
- Improvements to Henderson Waste Recovery Centre with the opening of a new cell for waste management and implementation of two generators regenerating methane gas into power to supply more than 2,500 households.
- Renaming of the Jean Willis Centre to City of Cockburn Community Care, our Ranger Services and Cockburn Community Safety Service have moved locations to Wellard Road, Spearwood, next to the Depot, and we have seen significant renovations and improvements to the City's Administration Building in Spearwood, which was completed in August 2007.

Complementing these, the City also introduced improvements to its business systems and processes. A new planning system was implemented, which will eventually allow electronic lodgement of planning applications. The City partnered with other Local Governments in the development of an Electronic Lodgement System for building approvals. In addition, the City achieved key aspects of our Strategic Plan; finalising a Library Strategy, expanding the Community Events program, improving our financial capacity, and adopted Sustainability and Transport strategies.

The role of our Council has been pivotal in providing the strategic guidance required by the staff. But it has been through the commitment of my staff that the Council has been able to see its vision come to fruition. I remain justifiably proud to be a member of a great team. Throughout the next year we will all be looking for other new ways to achieve our mission 'To 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 having the most influence on steering our development through to 2016:

- 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 Councils Plan for the Future of the District 2006 - 2016.

MEASURING OUR PERFORMANCE

To ensure that the initiatives in the Strategic Plan form part of the core business of Council, we have identified both *Service Commitments* and *Measures of Success*. Any item of business coming before Council will be related to the Service Commitments. Council will also report on the achievement of the strategies identified in the Plan in this Annual Report.

INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS										
Demographic Planning	<p>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.</p> <p>To ensure development will enhance the levels of amenity currently enjoyed by the community.</p>	<p><b>Business Plan</b> – Council will adopt an annual Business Plan. Adopted July 2006.</p> <p><b>Processing Times for Planning and Building</b> – Average processing times for building and planning applications will be reported in the Annual Report against statutory and Council targets.</p> <table><tr><th>ACTUAL</th><th>TARGET</th></tr><tr><td>Planning 29 Days</td><td>Planning 28 Days</td></tr><tr><td>Building 28 Days</td><td>Building 25 Days</td></tr></table> <p><b>Demographic Data</b> - 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><b>Ratepayer / Resident Satisfaction</b> – Community satisfaction with Planning Services and Neighbourhood Amenity to be reported in the Annual Report and meet Council's targets.</p> <table><tr><th>ACTUAL</th><th>TARGET</th></tr><tr><td>50 %</td><td>70 %</td></tr></table>	ACTUAL	TARGET	Planning 29 Days	Planning 28 Days	Building 28 Days	Building 25 Days	ACTUAL	TARGET	50 %	70 %
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MEASURING OUR PERFORMANCE

INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS														
Infrastructure Development	<p>To construct and maintain community facilities that meet community needs.</p> <p>To construct and maintain parks and bushland reserves that are convenient and safe for public use, and do not compromise environmental management.</p> <p>To provide an appropriate range of recreation areas that meet the needs of all age groups within the community.</p>	<p><b>Plan for the District – Adopted in 2006.</b> 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><b>Land and Investment Strategy</b> – Annual activities to develop and expand the City’s investment activities will be detailed in the Annual Business Plan. <b>Noted in the Review of the Annual Business Plan 2007.</b></p> <p><b>Asset Management</b> – Council will adopt a management policy and provide 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><tr><td>Festivals achieved</td><td>80.0%</td></tr><tr><td>Library Services</td><td>95.7%</td></tr><tr><td>Community facility hire &amp; booking service</td><td>97.6%</td></tr><tr><td>Sports field hire &amp; booking service</td><td>85.7%</td></tr><tr><td>Parks and Gardens</td><td>83.0%</td></tr></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><tr><td><b>ACTUAL</b></td><td><b>TARGET</b></td></tr><tr><td>73 %</td><td>90 %</td></tr></table>	Festivals achieved	80.0%	Library Services	95.7%	Community facility hire & booking service	97.6%	Sports field hire & booking service	85.7%	Parks and Gardens	83.0%	<b>ACTUAL</b>	<b>TARGET</b>	73 %	90 %
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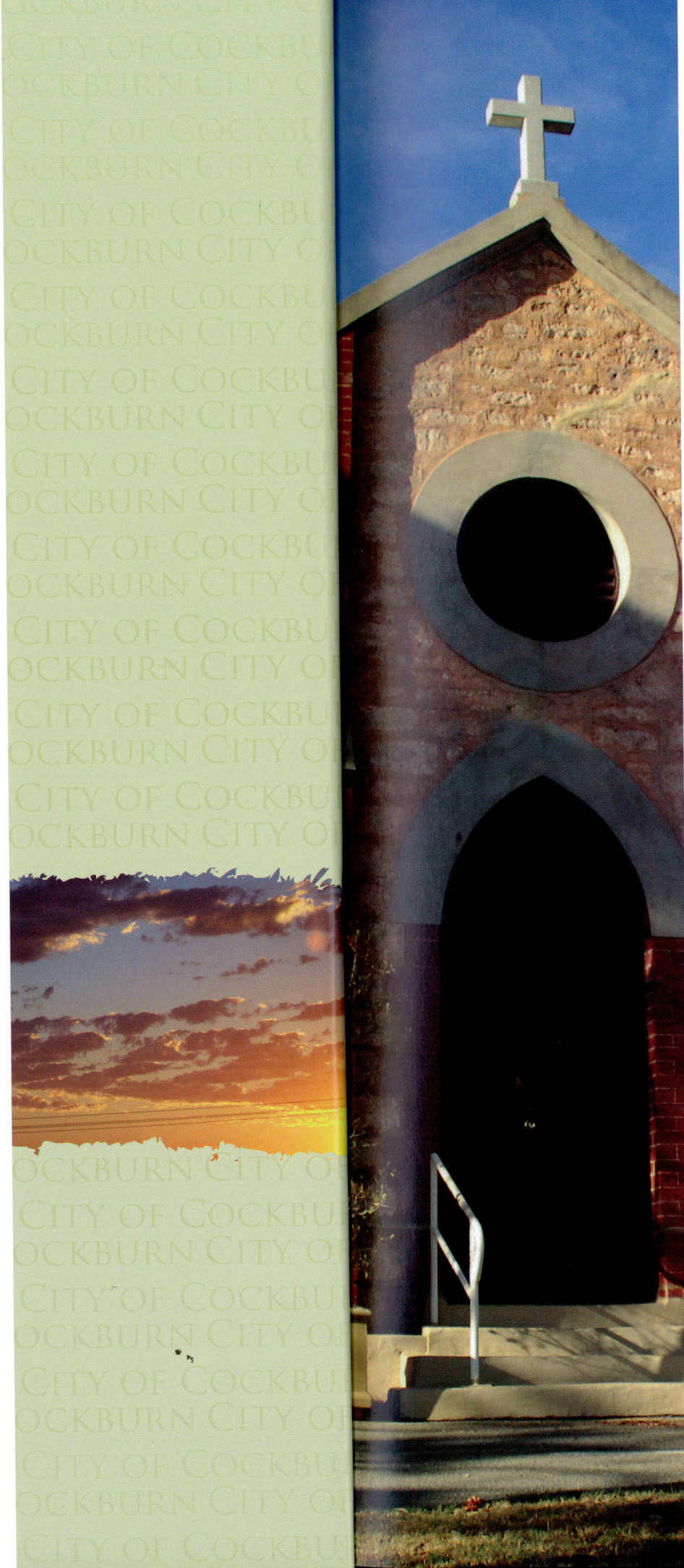
INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS				
Lifestyle and Aspiration Achievement	<p>To foster a sense of community spirit within the district generally and neighbourhoods in particular.</p> <p>To facilitate and provide an optimum range of community services and events.</p> <p>To deliver our services and to manage resources in a way that is cost effective without compromising quality.</p> <p>To conserve the character and historic value of the human and built environment.</p>	<p><b>Community Development Strategy Survey</b> – The conduct of a triennial survey of community aspirations and desires to guide development of the City. <b>To be conducted in 2007 / 2008.</b></p> <p><b>Community Events Participation</b> – Details of events and the number of residents participating in the City's Summer Events programs is to be reported in the Annual Report. <b>Attendance 06 - 07 financial year was 35,300 people.</b></p> <p><b>Services Program</b> – Details of development of the City's services are to be included in the Plan for the District. <b>See Plan for the District – Dec 2006.</b></p> <p><b>Community Safety</b> – Details of the community safety program are to be reported on the Council website and customer satisfaction measured and reported in the Annual Report.</p> <table><tr><td><b>ACTUAL</b></td><td><b>TARGET</b></td></tr><tr><td>66 %</td><td>80 %</td></tr></table>	<b>ACTUAL</b>	<b>TARGET</b>	66 %	80 %
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MEASURING OUR PERFORMANCE

INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS																					
Lifestyle and Aspiration Achievement continued	To identify community needs, aspirations, expectations and priorities for services that are required to meet the changing demographics of the district.	<p><b>Greening Program</b> – The City’s Greening Plan is to be reviewed biennially and incorporate all ‘greening’ activities (parks, road reserves, sumps &amp; streetscapes). Details of the plan are to be reported in the Annual Business Plan. <b>To be reviewed 07- 08.</b></p> <p><b>Ratepayer / Resident Satisfaction</b> – Community satisfaction for Community Services provision to be reported in the Annual Report and meet Council’s targets.</p> <table><tr><td></td><td>ACTUAL</td><td>TARGET</td></tr><tr><td>Youth</td><td>60%</td><td>75%</td></tr><tr><td>Seniors</td><td>71%</td><td>75%</td></tr><tr><td>Disabilities</td><td>69%</td><td>75%</td></tr><tr><td>Animal Control</td><td>71%</td><td>80%</td></tr><tr><td>Bushfire Control</td><td>79%</td><td>90%</td></tr><tr><td>Customer Service</td><td>72%</td><td>80%</td></tr></table>		ACTUAL	TARGET	Youth	60%	75%	Seniors	71%	75%	Disabilities	69%	75%	Animal Control	71%	80%	Bushfire Control	79%	90%	Customer Service	72%	80%
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INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS									
Governance Excellence	<p>To conduct Council business in open public forums and to manage Council affairs by employing publicly accountable practices.</p> <p>To provide effective monitoring and regulatory services that administer relevant legislation and local laws in a fair and impartial way.</p> <p>To maintain a professional, well-trained and healthy workforce that is responsive to the community’s needs.</p> <p>To maximise use of technology that contributes to the efficient delivery of Council’s services.</p> <p>To develop and maintain a financially sustainable City.</p>	<p><b>Information Accessibility</b> – The City is to provide access to all Council plans, policies and other important documents available online to the community. <b>Refer to Council website: <a href="http://www.cockburn.wa.gov.au">www.cockburn.wa.gov.au</a></b></p> <p><b>Community Communications</b> – Strategies and policies are to be reviewed annually to encourage greater community awareness, and participation in the City’s affairs. <b>Communication Strategy completed in December 2006.</b></p> <p><b>Budget Management</b> – A mid-year progress report on achievement of the Annual Business Plan is to be presented to Council. <b>Reviewed in January 2007.</b></p> <p><b>Financial Reserves</b> – The Financial Reserves development strategy is to be reviewed annually with targets and achievement of performance measures to be reported in the Business Plan and Annual Report. <b>See Financial Statements.</b></p> <p><b>Ratepayer / Resident Satisfaction</b> – Community satisfaction with governance oversight and community consultation are to be reported in the Annual Report and meet Council’s targets.</p> <table><tr><td></td><td>ACTUAL</td><td>TARGET</td></tr><tr><td>Governance</td><td>48%</td><td>70%</td></tr><tr><td>Consultation</td><td>47%</td><td>70%</td></tr></table>		ACTUAL	TARGET	Governance	48%	70%	Consultation	47%	70%
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MEASURING OUR PERFORMANCE

INITIATIVE OUTCOME	SERVICE COMMITMENTS	MEASURES OF SUCCESS						
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>	<p><b>Environmental Strategy</b> – 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. <b>To be considered 07 – 08.</b></p> <p><b>Contaminated Sites</b> – 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. <b>To be considered 07 – 08.</b></p> <p><b>Sustainability Measures</b> – The City will incorporate sustainability performance criteria into its decision-making processes. <b>Policy adopted June, 2006.</b></p> <p><b>Coastal Management</b> – A Coastal Management model is to be developed and used to monitor changes in the City’s coastline and guide strategy for future development. <b>To be considered 07 – 08.</b></p> <p><b>Waste Strategy</b> – A Waste Management Strategy is to be adopted by Council and the diversion rate of household waste reported in the Annual Report. <b>Completed June, 2007.</b></p> <p>An annual survey of the community determined the following levels of satisfaction: rubbish collection 94% recycling services 89%</p> <p><b>Ratepayer / Resident satisfaction</b> – Community satisfaction with Natural Environmental management to be reported in the Annual Report and meet Council’s targets.</p> <table><tr><td></td><td>ACTUAL</td><td>TARGET</td></tr><tr><td></td><td>70 %</td><td>80 %</td></tr></table>		ACTUAL	TARGET		70 %	80 %
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	70 %	80 %						

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><b>Transport Network Model</b> – 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. <b>To be reviewed 07- 08.</b></p> <p><b>Lobbying and External Funding</b> – 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. <b>To be considered in 07- 08.</b></p> <p><b>Ratepayer / Resident satisfaction</b> – Community satisfaction with roads, footpaths and cycleway maintenance to be reported in the Annual Report and meet Council’s targets.</p> <table><tr><td></td><td>ACTUAL</td><td>TARGET</td></tr><tr><td>Road Maintenance</td><td>73%</td><td>80%</td></tr><tr><td>Footpaths</td><td>69%</td><td>80%</td></tr><tr><td>Cycleways</td><td>63%</td><td>80%</td></tr></table>		ACTUAL	TARGET	Road Maintenance	73%	80%	Footpaths	69%	80%	Cycleways	63%	80%
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Road Maintenance	73%	80%												
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DEMOGRAPHIC DATA

Source – Australian Bureau of Statistics, 2006 Census:  
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%
Indigenous persons (Aboriginal & Torres Strait Islanders)	1,256	1.7%

AGE	COCKBURN	% OF TOTAL PERSONS
Age groups:		
0-4 years	5,222	7.0%
5-14 years	10,736	14.4%
15-24 years	10,430	14.0%
25-54 years	33,471	44.9%
55-64 years	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 2006 and identified major projects for 2007/08 and beyond.

However, Council will continue to fund the same services provided for the 2006/2007 financial year, with the following projects being of particular note:

- Significant expenditure will complete the upgrade of Memorial Hall, Hamilton Hill, and a new two storey youth facility in Success.
- Design work will be undertaken for the construction of a library and civic facilities at Cockburn Central and sporting facilities (netball, tennis and playing fields) at Hammond Road, Success.
- Completion of the renovations to the Administration Building and Council Chambers in Spearwood.
- Extension of the landfill site at Henderson for waste disposal and a future waste transfer facility.
- Construction of Russell Road between Kwinana Freeway and Frankland Avenue as a dual carriageway.
- Construction of Beeliar Drive to Stock Road.



# 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.

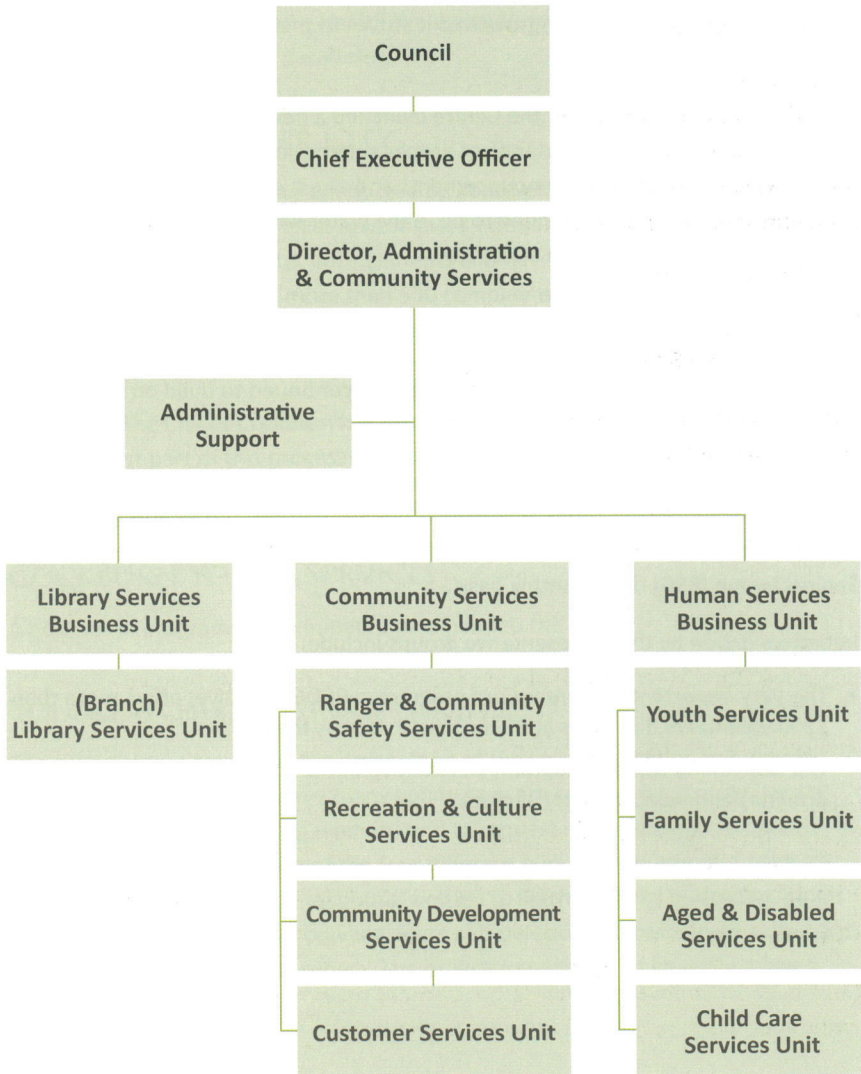
The City of Cockburn has completed a review of its Local Laws to ensure compliance with the National Competition Policy.

# COMMUNITY SERVICES DIVISION

The Community Services Division is responsible for the provision and maintenance of an adequate structure to support the delivery of specific administrative functions and services, together with meeting ongoing and contemporary community service requirements for the residents of Cockburn.

An overview of the division structure, as it relates to the Council process, is illustrated as follows:

- Community Services;
- Human Services;
- Library & Information Services
- Plus their Administrative Support components.





## COMMUNITY SERVICES HIGHLIGHTS

### ARTS, CULTURE AND RECREATION

The Rotary Spring Fair drew a crowd of 6000 during the day to enjoy entertainment, stalls, rides and a special community performance before the fireworks.

The Show Off 3 art exhibition saw over 30 artists invited to exhibit in the new council function area in May. The success of this exhibition has grown steadily over time.

The Youth Active Program has increased Cockburn's junior sport participation significantly over the past year. With 158 participants, the initiative has also boosted membership and promotional opportunities for more than 50 Cockburn sporting clubs.

### SOUTH LAKE LEISURE CENTRE.

Over the past year the Centre has had a strong focus on its aquatic education programs. With an increasing number of young families in the City, the Swim School has experienced strong growth as it strives to meet the needs of the community.

In line with aquatic education, the Centre launched a new parent supervision initiative reinforcing the importance of proper supervision in and around the water. Through signage, regular PA announcements and direct contact with customers, the Centre has reinforced the need to be in the water with children under 5 years old in order to supervise them effectively.

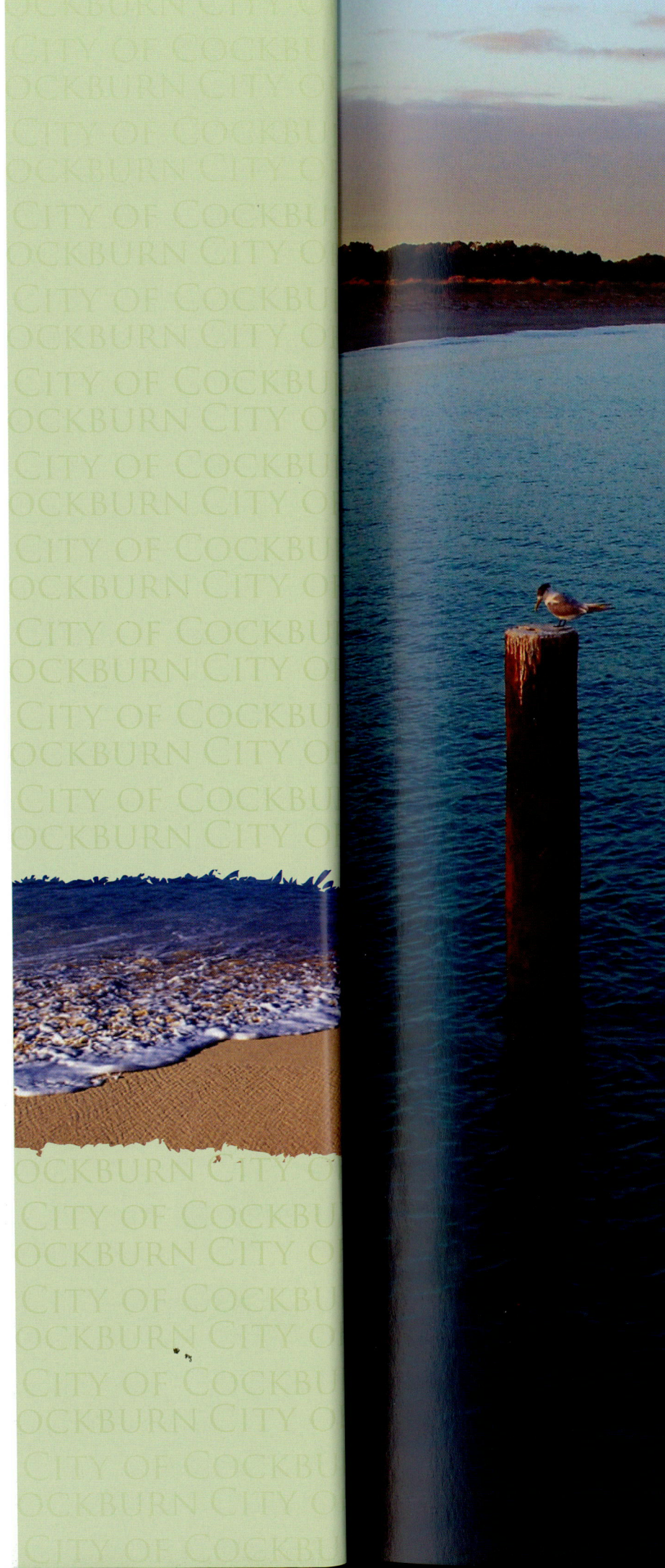
### COMMUNITY CONSULTATION

The City's Community Development Strategy has continued to build on previous years.

The Regional Community Development Group (RCDG) represents more than 30 local community organisations, including residents, parents and seniors groups. The RCDG and Regional Parents Group (RPG) meet bi-monthly and the Regional Seniors Group (RSG) on a monthly basis.

Initiatives driven by the representative groups include:

- The *Very Important Volunteer Card* program, a RCDG initiative, offers more than 1200 volunteers discounts at 68 businesses across the City.
- The *Happening Seniors* program, an initiative of the RSG, delivers a selection of activities and workshops for seniors.



## COMMUNITY SERVICES HIGHLIGHTS

### LIBRARY SERVICE

Many projects and programs both new and expanded took place through the year. Of most importance was the external review of the service. Its 32 recommendations will be vital in forming the direction the library will follow through the coming decade. Notable too was the move of Success Library to a new site in Cockburn Gateway Shopping City. It provided the first real opportunity for the library to show its new colour scheme and branding. Visitors' reactions have been extremely positive.

The visit and talk by the PIAF One Book author Markus Zusak aroused much interest, as did other programs, especially those for children. Over 950 attended Children's Book Week events, 480 came to Bookstars and at least 4200 enjoyed Storytimes.

Services to users were enhanced by the library's proactive adoption of new and enhanced technologies. These included assistive technologies such as the Kurzweil text to speech scanner. Others were the introduction of the Multiscreen In-House communication system, a self-issue station and various upgrades to the Spydus library system. Novelists and a Health Wellbeing Resource Centre were added to the library's suite of online databases.

### RANGERS AND SAFER CITY

This year Ranger Services has conducted off-road vehicle operations and have impounded illegal off-road bikes, investigated litter on behalf of the 'Name and Shame' program issuing litter infringements and have issued numerous burn permits. Rangers deal with more than 500 complaints per month ranging from permit to burn, litter, animal issues, impounding of livestock, parking, off-road vehicles, illegal dumping and enforcement of Council's local laws.

In addition, the City of Cockburn has begun developing its Emergency Management Plan; the first part of this process is to identify risks that are more likely to occur in Cockburn.

### COCKBURN YOUTH SERVICES

A number of programs were initiated or expanded this year:

#### YOUNG WOMEN'S GROUP – SOUL

The program was established in recognition of the lack of activities and groups specifically for young women – many young men are catered for through sports and facilities, however young women tend to request more passive recreation. The program, which is run at one of the four different high schools around Cockburn each term, provides a space for young women to learn cooking, budgeting, go on recreational outings such as bowling, learn self-defence and participate in hair and make-up workshops among others. The program continues to be well received, operating at full capacity.



## COMMUNITY SERVICES HIGHLIGHTS

### YOUTH OUTRAGE SCHOOL HOLIDAY PROGRAM

During 2005/06 Cockburn Youth Services received funding to assist the Youth Outrage School Holiday Program to become more inclusive of young people with a disability. In recognition of the City's work, Cockburn was nominated for and won the 2006 Inclusive Communities Award in the Local Government category from the Disability Services Commission. Cockburn Youth Services has continued to provide these opportunities beyond the funding period with great success and enthusiasm.

### PARTICIPATE AND ILLUMINATE

In recognition of the need to provide programs that are meaningful and inclusive of young people with disabilities, Cockburn Youth Services initiated a series of 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 ATE series will continue to run during 2008 and will enhance opportunities for all young people living in the City of Cockburn.

## CHILDREN'S DEVELOPMENT

### AUSTRALIAN EARLY DEVELOPMENT INDEX (AEDI)

The AEDI, a national research project measuring how young children are developing by the time they reach school, was carried out across the City of Cockburn in 2006/07. Eighty per cent of Cockburn schools participated with the results providing valuable information, in particular pinpointing suburbs that needed additional services and support. As a result, interagency meetings have been established in Beeliar to plan and deliver services, a Children's Interest Group meets quarterly in Coolbellup, and two drop-in hubs are being set up for parents and young children.

### SUPPORT SERVICES

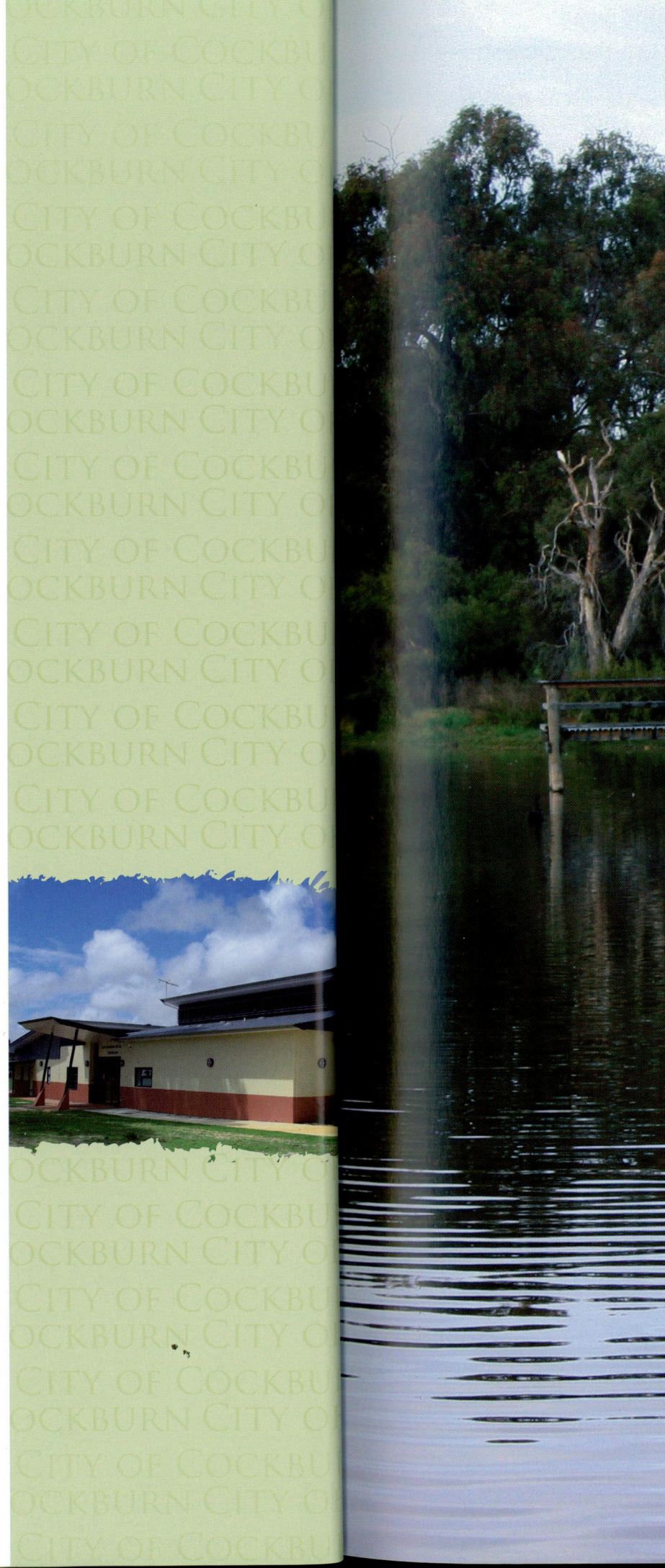
The support services focused on issues in regard to homelessness and held BBQ with a Blanket, events in Beeliar, Coolbellup, Southlake and Yangebup. The support services developed homelessness essential packs to be distributed in Cockburn.

The City of Cockburn participated in International Women's Day and Anti-Poverty Week 2007, coordinating events which provided information on many varied health topics and support services as well as free give-away products such as sunscreen, hats and sunglasses for the coming summer months and much more.

### CHILD CARE SERVICES

A Comprehensive marketing campaign to increase participation and awareness ran successfully for the Family Day Care Scheme.

National Childcare Accreditation – All five Outside School Care Centres had their



## COMMUNITY SERVICES HIGHLIGHTS

Accreditation Validation Visit and Moderation process with successful accreditation of all services. This is the first time that outside school hours care has been involved in the National Accreditation System.

### PRIME MINISTER'S 'EMPLOYER OF THE YEAR' AWARDS

The City of Cockburn was a finalist in the Prime Minister's 'Employer of the Year' Award. This is a national awards program that recognises excellence in the employment of people with a disability.

### DISABILITY ACCESS AND INCLUSION PLAN

It is now a requirement that all Local Governments develop and implement a Disability Access and Inclusion Plan (DAIP). The City of Cockburn enlisted a consultant who liaised with City of Cockburn staff, the Disability Advisory Committee and the community in the development of their DAIP. The City of Cockburn's Disability Access and Inclusion Plan 2007-2012 outlines the way in which the Council will ensure that people with a disability will have equal access to its facilities and services. The DAIP was adopted by Council and was approved by the Disability Service Commission in August 2007 and is now in the process of being implemented. In consultation with the City's Managers, the Disability Access and Inclusion Officer will submit an annual DAIP progress report to the Disability Service Commission.

### STATE DISABILITY SERVICES ACT (1993)

**Key Outcome No 1: existing functions, facilities and services are adapted to meet the needs of people with disabilities.**

The City endeavours to ensure that all ongoing services are accessible to people with disabilities. The following new and ongoing projects were undertaken over the past 12 months:

- Council purchased one of Technology Assisting Disability WA, (TADWA'S) Beach Trekker Wheelchairs 12 months ago. This has been made available to the public via the Coogee Beach Surf Lifesaving Club during the summer season in order to assist people with disabilities and the aged to have better access to Coogee Beach.
- A partnership between City of Cockburn and South Metropolitan Personnel has resulted in 12 young people with varying abilities being employed on four work crews in Council's Parks Department. This project has raised the visibility of people with disabilities in the community and within the Council workplace, developing positive self-esteem within the work crew and a heightened sense of awareness amongst other Council staff and the local community. South Metropolitan Personnel has a peppercorn lease with Council for the use of the Caretaker's house at Manning Park for teaching a range of life skills to people with a disability. As a result of this partnership the City of Cockburn was a finalist for the Prime Minister's 'Employer of the Year' Award 2006.
- Cockburn Early Education Program provides supported Playgroups, led by a trained Play leader, and an individualised home visiting service for children with



## COMMUNITY SERVICES HIGHLIGHTS

developmental delays and disabilities. These services provide significant support and information for parents and young children.

- During 2005/06 Cockburn Youth Services received funding to assist the Youth Outrage School Holiday Program to become more inclusive of young people with a disability. In recognition of the City's work Cockburn was nominated for and won the 2006 Inclusive Communities Award in the Local Government category from the Disability Service Commission. Cockburn Youth Services has continued to provide these opportunities beyond this time with great success and enthusiasm.
- The ParticipATE and IlluminATE programs were developed in recognition of the need to provide programs that are meaningful and inclusive of young people with disabilities. Cockburn Youth Services initiated a series of 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 ATE series will continue to run during 2008 and will enhance opportunities for all young people living in the City of Cockburn.

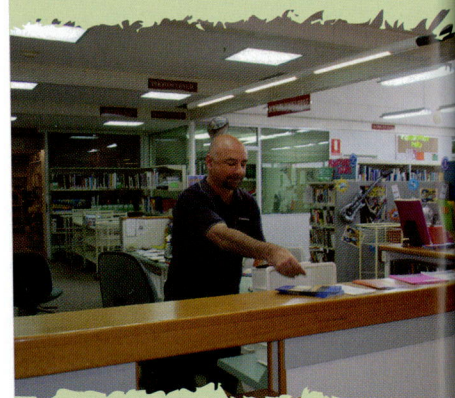
- The City has a community member with a disability sitting as a representative on the 'Port Coogee People and Places Working Committee', looking at issues of development and accessibility at the Port Coogee Marina site.
- In 2006 the City of Cockburn enlisted a consultant to work alongside staff in developing the City of Cockburn's Disability Access and Inclusion Plan (DAIP). In August 2007 the DAIP was accepted by the Disability Services Commission (DSC). An Implementation Plan was developed at the same time, outlining the responsibilities of each service section and identifying strategies to work towards achieving the DAIP's aims within a five-year time frame. Each service section is required to report back to the Disability Access and Inclusion Officer on a yearly basis.

### Key Outcome no 2: access to buildings and facilities is improved.

There has been a planned approach towards increasing access to the City of Cockburn's buildings and facilities.

Over the past 12 months the following initiatives have been implemented:

- Kerbs modified.
- Footpath replacement and upgrades.
- Construction of accessible change rooms at Enright Reserve has been completed.
- Completed construction of the Yangebup Community Centre, which includes an accessible toilet to the main hall area.
- Several ramps have been installed in various areas.
- Majority of 2006 audit recommendations have now been completed. This includes lowering handrails in identified accessible toilets, improvements to accessible parking bays and improved signage.
- Construction of accessible toilet at Jandakot Hall.
- Completion of two new disability bays at the City of Cockburn Administration Centre. The Disability Advisory Committee had input to this project.
- Accessible toilets and ramps have been provided at Naval Base Holiday Accommodation Units.



## COMMUNITY SERVICES HIGHLIGHTS

### Key Outcome no 3: information about functions, facilities and services.

- The City can provide public documents in alternative formats by request. Council has its own web page, and a community information source called 'Co-Info' that provides information over the Internet or via telephone to the community. The City produces its own publication called 'Cockburn Soundings' that is delivered to all residents on a bi-monthly basis and also has an email newsletter called 'Cockburn Update' for people who register for the service.
- Council has incorporated a hearing loop system into the function area, dining room and Council Chambers as part of the new renovated administration building. This will assist people with a hearing impairment to more easily access information and to fully participate.
- City of Cockburn libraries have a 10-year plan for the purchase of further adaptive technology and are committed to developing an inclusive and accessible library environment. In 2007 a Kurzweil Omni 1000 was purchased and located at the Coolbellup Library, converting text to speech using a scanner, optical character recognition software and a speech synthesiser.
- Information about Council and other events and services is distributed at the monthly Disability Advisory Committee meetings for broader distribution to people with disabilities and service providers within the Cockburn region.

### Key outcome no 4: staff awareness of the needs of people with disabilities and skills in delivering advice and services are improved.

- During staff induction the Human Resource department outlines the City's commitment to improving services for people with disabilities and makes staff aware of the City's Disability Access and Inclusion Plan.
- One of the strategies of the DAIP was to identify council staff training needs in the area of disability awareness, and to source funding for this. This has been undertaken and a grant application developed.
- A Disability Access and Inclusion Officer was employed to liaise between the community and City of Cockburn, assisting staff to become more aware of issues or barriers for people with disabilities.

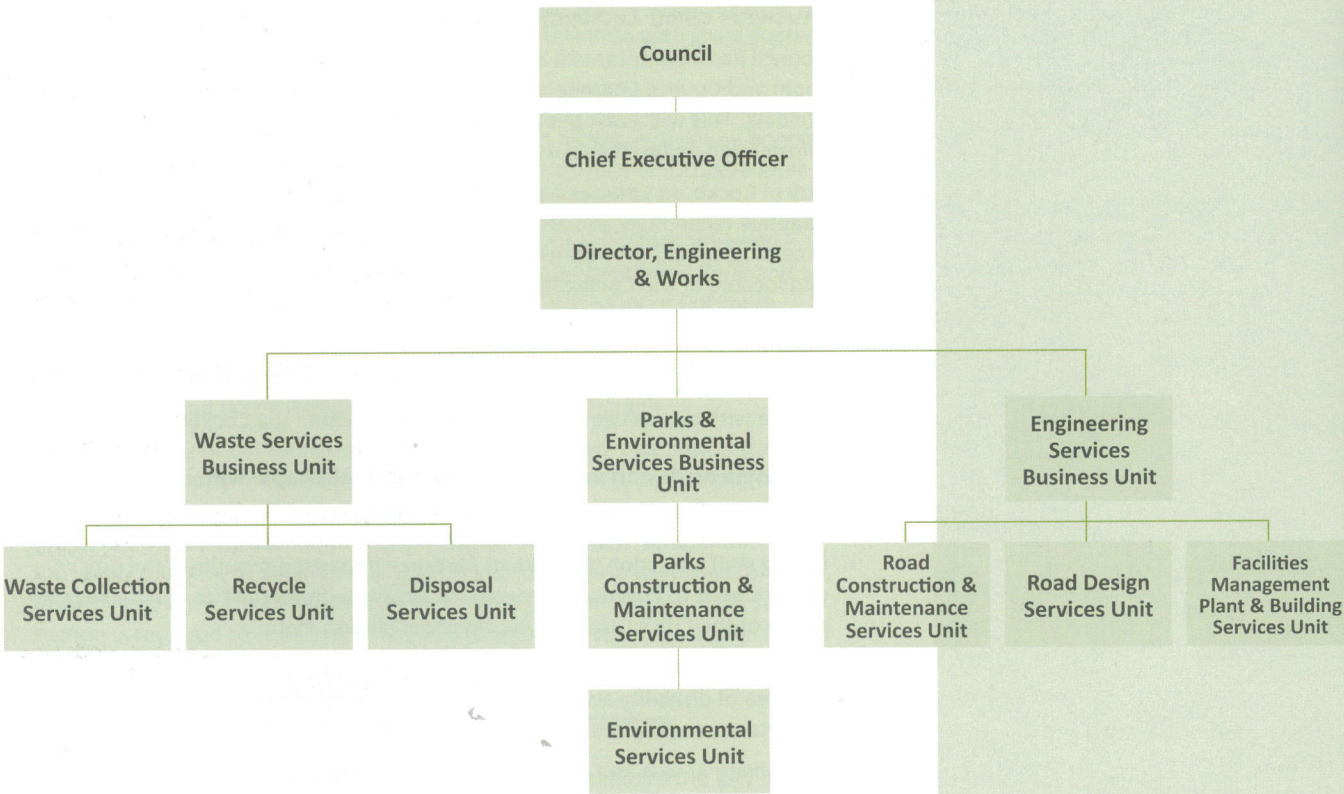
### Key outcome no.5: opportunities for people with disabilities to participate in public consultations, grievances mechanisms and decision-making processes are provided.

- The City of Cockburn Disability Advisory Committee (DAC) provides the avenue for people with a disability to make their individual needs known to Council. This committee has the power to request that recommendations be put to Council and as such, plays a valuable advisory role.
- The Disability Access and Inclusion Officer liaises between the community and the Council to identify community needs and disability access/inclusion issues, and to assist community groups and Council to meet these needs.
- Two representatives from the Disability Advisory Committee sit on the City of Cockburn's Regional Community Development Committee, and one representative sits on the 'Port Coogee People and Places Working Committee'.
- As part of the development of the Disability Access and Inclusion Plan (DAIP) extensive consultation was carried out across the City of Cockburn with Council staff, Disability Services Commission (DSC) staff, individuals and groups of people with a disability, DAC members, and clients from the Disability Program at City of Cockburn's Aged and Disabled Services. The DAIP is a public document, which is available via council's website and other formats, with feedback and input encouraged from the general public.



ENGINEERING AND WORKS DIVISION

The Engineering and Works Division is responsible for delivering and maintaining a safe road system, developing and maintaining parks and landscaping for enjoyment by everyone, collecting and disposing of 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 Division was responsible for the cash expenditure of approximately \$45.1 million, with some \$28.9 million provided from rates and reserve funds and \$16.2 million from State and Federal grants, fees, charges and contributions.

The Division achieved a number of significant projects throughout the district during the 2006 / 2007 financial year, which are itemised as follows:

ASSET DEVELOPMENT	\$ 000's	OPERATIONAL ACTIVITIES	\$ 000's
Roads, Footpath & Drainage	5,990	Roads, Footpath & Drainage Maintenance	4,188
Parks & Environment	1,691	Parks & Environment Maintenance	6,815
Buildings	7,855	Waste Disposal	3,344
Landfill Site	2,207	Waste Collection	4,912
Plant Maintenance	2,101	Waste Recycling	1,789
Total	19,844	Facilities Maintenance	2,248
		Plant Maintenance	1,960
		Total	25,256



ENGINEERING AND WORKS DIVISION

ENGINEERING SERVICES

Achievements

- A major road deviation of Hammond Rd between Wentworth Pde and Russell Rd in Success was completed.
- Road rehabilitation works were completed on Farrington Rd between North Lake Rd and Bibra Dr, together with the Blackspot project of extending the left turn pocket into North Lake Rd.
- The Berrigan Dr carriageway was upgraded and a landscaped median installed between Kwinana Freeway and Jandakot Rd.
- Major pavement rehabilitation and resurfacing works was completed on Rockingham Rd between Phoenix Rd and Cockburn Rd.
- Major intersection Blackspot improvement modifications were completed at the Spearwood Ave/ Yangebup Rd intersection, together with associated works to close the Yangebup Rd rail crossing and to open the right turn from Birchley Rd into Beeliar Dr in Yangebup.
- Street lighting was installed in various locations including Howe St and View St in Beeliar.
- Extensive office and civic building extensions and refurbishment continued at the City's Administration Centre in Rockingham Rd/ Coleville Cr.
- New transportable Safer City and Ranger Services offices were completed in Wellard St, Bibra Lake adjacent to the City's Operations Centre, together with a high speed data communications link between the Administration Centre and Operations Centre.
- Major heritage restoration of the Hamilton Hill Memorial Hall and grounds was well under way, together with new ancillary buildings.

PARKS AND ENVIRONMENT

The City of Cockburn initiated a project partnership with Southbeach, North Coogee development proponents Landcorp and Stockland to develop a foreshore management plan for the coastal strip between the Island Street Groyne in Fremantle and Catherine Point, to the railway line. The management plan was developed from workshops with members of the public and stakeholders and advertised for public comment prior to adoption by Council. The plan proposes extensive dune rehabilitation, pathways, recreation facilities and coastal stabilisation works to vastly improve the previously contaminated industrial lands. With commitments from private developers and public agencies to implementing the plan in the next three years, a once popular and beautiful section of coast shall be returned to the community. The City also completed the first stage of the Phoenix Rise public domain improvement works for landscape upgrades to streets and intersections within Southwell and Hamilton Hill.

BUSHLAND MANAGEMENT

The City is responsible for 110 conservation areas comprising 773 hectares of bushland and wetland. In the past financial year, large scale weed control and rubbish removal, together with general maintenance, has been undertaken in 31



# ENGINEERING AND WORKS DIVISION

of these locations comprising 322 hectares. In addition, friends and community groups, schools, staff and contractors planted approximately 13,500 seedlings, 16,425 sedges and 160sq m of sedge blocks.

## CITIES FOR CLIMATE PROTECTION (CCP)

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:

- Has continued with 05/06 review of Council building energy consumption;
- Through the Regional Community Greenhouse Program Action Plan 2004 – 2007, facilitated a Living Smart course at Harvest Lakes Community Centre for the general public;
- Continued to implement the successful Climate Actions project - a behaviour change project offering free and confidential service to local businesses, to assist them to develop initiatives to reduce their energy consumption and subsequent greenhouse emissions;
- Developed a Sustainable Public Lighting Action Plan in working towards a more sustainable solution for Cockburn's Street Lighting sector; and
- Placed boxes for toner and ink cartridges as well as for mobile phone in the Council Administration building and within each of Cockburn's libraries.

## SUSTAINABILITY

As well as the initiatives being implemented through the Cities For Climate Protection Program, the City has also developed and commenced implementation of its Sustainability Policy. This will have many positive benefits in terms of the way Cockburn undertakes its day to day business.

## WETLAND MANAGEMENT

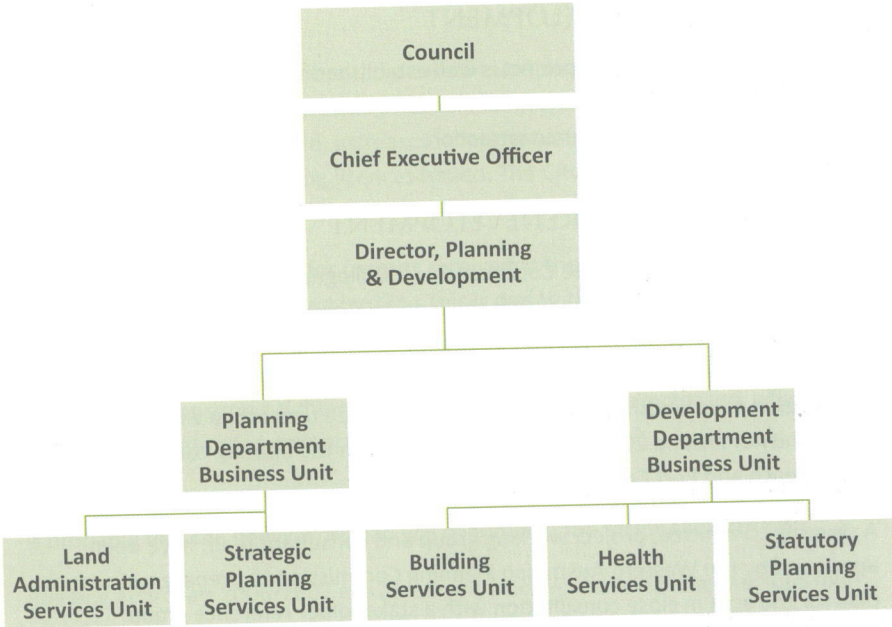
The City undertook continuous monitoring of 10 wetlands and four constructed water bodies, as part of its comprehensive midge and water quality management program.

The control of nuisance midge remains a priority. An increase in residential density and the closeness of new residential areas to existing wetlands is likely to exacerbate the problem. The long-term approach to the problem is to continue to implement the City's Integrated Midge Control Strategy. In line with this strategy, the following activities were undertaken:

- Where necessary, larvicide treatments of particular wetlands were conducted. As a result, the overall number of complaints remained low.
- Midge management research projects to investigate alternative control measures, such as sediment remediation and midge buffer zones around wetlands.



# PLANNING AND DEVELOPMENT DIVISION



Development activity within the City has been much higher than the previous financial year, with 973 development applications processed. The development applications were mainly for residential, commercial and industrial projects. There were 11 amendments to the Town Planning Scheme, 210 subdivision applications were referred, and 10 structure plans considered.

## METROPOLITAN REGION SCHEME (MRS)

The Council continued to participate in regional planning through the Southwest District Planning Committee of the Western Australian Planning Commission (WAPC).

## PORT COOGEE MARINA

This significant coastal development has reached a project milestone with Stage 1 residential lots released in November 2006. A range of housing options will become available from marina lots, dry lots, townhouses and apartment living, along with markets and other commercial activities typical of a marina.

## COCKBURN CENTRAL

The planning for Cockburn Central has been completed and development of the land adjacent to the proposed railway station and bus interchange for the town centre was recently completed. Cockburn Central is planned as a regional centre to serve the shopping, commercial, community, recreational and entertainment needs of the community. This is a very exciting project being undertaken by LandCorp in conjunction with the WAPC and the City.



PLANNING AND DEVELOPMENT DIVISION

SOUTH BEACH DEVELOPMENT

The South Beach residential project is well established with many completed homes and relevant approvals issued. There are also high quality apartments with panoramic ocean views under construction.

COCKBURN COAST REDEVELOPMENT

In May 2005 the Vision for the Cockburn Coast Dialogue resulted in the community voicing their aspirations to redevelop the industrial area between South Beach and Port Coogee developments for predominantly residential purpose. As a result, the Minister for Planning and Infrastructure requested the Western Australian Planning Commission to establish a new plan for North Coogee to create a vibrant mixed use community of around 20,000 persons that links with the existing communities of South Beach and Port Coogee.

A steering committee, project working group and consultant team have been appointed by the Western Australian Planning Commission to prepare a structure plan for the area in close consultation with a stakeholder reference group. Workshops with the stakeholders were held in late 2006 and early 2007 with a structure plan available for public comment in mid 2007. More details on the project are available on the website [www.wapc.wa.gov.au](http://www.wapc.wa.gov.au).

COOGEE SURF LIFE SAVING CLUB

Approval has been received for development of the CSLSC community facility at the Poore Grove site at Coogee Beach. Environmental studies and design are currently underway.

SOUTHWELL NEW LIVING PROJECT

The Department of Housing and Works has appointed the Satterley Group to manage the Southwell New Living Project, which will see the refurbishment of all Homeswest houses and the sale of some houses and units, thus reducing the extent of public housing in the area to around 10%. A master plan was adopted by the City and public domain work including street planting and beautification of the BP pipeline reserve has commenced.

MURIEL COURT AND BRANCH CIRCUS STRUCTURE PLANS

Work has commenced on the preparation of the structure plans for the future residential development of the Muriel Court area in Cockburn Central and Branch Circus in Success. It is anticipated that these plans will be finalised towards the end of 2007 and released for public and landowner comment.

PLANNING AND DEVELOPMENT DIVISION

BUILDING

The City was not able to achieve rapid turn around times for approvals this year, due to the heavy workload resulting from the large number and more complex building applications received. Increases in interest rates has not affected the number of residential building licences issued. The City has also experienced major growth in the number of commercial building licences issued.

The number of applications for permits received in the year increased slightly and the income received increased by 27%. This is due to the substantial increase in large complex high value commercial developments that were approved. Because of high demand within the industry, building costs have also substantially increased since last year, as supply tightens. As a result, fees have also increased, which are based on the estimated cost of construction.

In view of current market conditions and the City's inner-metropolitan location, it is probable that the heavy workload will continue in the foreseeable future.

Building approvals 2006/2007 are as follows, as compared with the previous four years:

YEAR ENDING	PERMITS	VALUE \$	FEE\$	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER ANCILLARY BUILDINGS
30/6/03	2550	156.1m	572,000	844	30	20	1656
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
30/7/07	3226	540m	1.525M	1161	199	5	1871

ENVIRONMENTAL HEALTH SERVICES

The City's Health Services Unit has continued to develop strategic initiatives for the Cockburn community. The past year has seen the Healthy Lifestyles Program with a Local Tobacco Action Pan to reduce the incidence of smoking in the City. The development of a Physical Activity Plan to increase levels of physical activity and to reduce obesity, heart disease and some cancers, improve the health and wellbeing of our community. Implementation of a Public Health Climate Change Adaptation Plan to ensure the City and our community is prepared for the inevitable changes caused by climate change. The City also participated in a joint project with the Swan Catchment Council aimed at improving standards on older industrial premises to minimise pollution.



PLANNING AND DEVELOPMENT DIVISION

FOOD SAFETY

Food Safety continues to remain Health Services highest priority with additional time and resources devoted to this area. Food premises within the City are assessed regularly by the City's officers to ensure that high standards of food handling and hygiene practices are maintained. We have also continued to provide subsidised training to local food businesses to assist them in providing safe food. This year the City's Environmental Health Officers participated in the Food Standards Australia New Zealand (FSANZ) National Food Handling Survey, assessing 20 premises as part of the Australia wide survey to assess the impact of the Food Safety Standards on food businesses' food handling knowledge and practices.

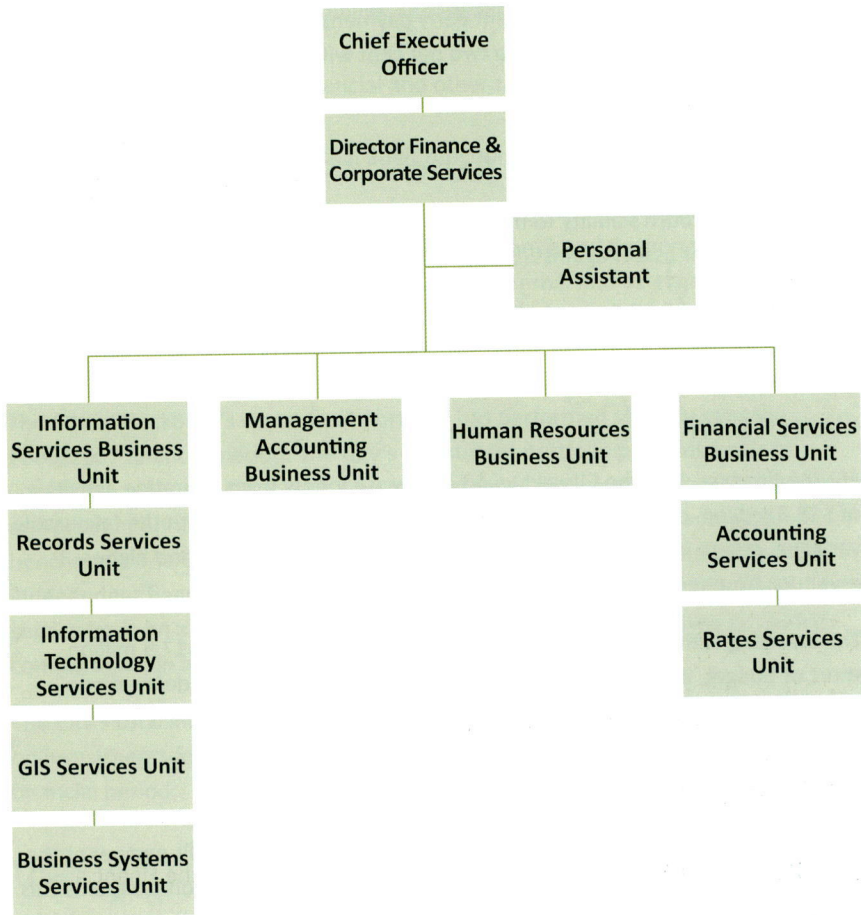
CONTAMINATED SITES

The City's Health Service conducted a desk audit of all lands and property "owned" by the City of Cockburn to determine whether the land use (both current and previous) may have resulted contamination of the site. Several of these sites have been reported to the Department of Environment and Conservation with approved remediation programs due to commence on some of the sites during the 2007/08 financial year. The City's current focus includes the CY O'Connor foreshore dunes located in North Coogee. The City of Cockburn is working with the Department of Environment and Conservation and the Department for Planning and Infrastructure to remove contamination from the dunes and beautify the area for both residents and visitors to the City.

RECREATIONAL WATERS

The City of Cockburn's Health Services carries out regular monitoring of disease-causing bacteria found in the water of the popular beaches along our coastline, as part of its Safe Water Program. The summer sampling program gathers data that is used by the Department of Health to assign a grade to each beach. The beach grades, which are available on the Department of Health's Healthy Swimming website, allow the community to make informed decisions on where they prefer to swim on our coastline.

FINANCE & CORPORATE SERVICES DIVISION



FINANCIAL PERFORMANCE

The City's net surplus for the period ending 30 June 2007 was \$2.7 million. The surplus is a result of a number of factors. In the process of formulating the 2006/2007 Budget it was anticipated that there would be a downturn in building and development activity, as compared to the previous year. However, this downturn did not occur and as a result, additional fees and charges revenue increased by \$1.56 million, part of which was received from building licences and statutory planning fees. Rates exceeded the budget by \$0.47 million due to the higher levels of economic activity. Cash expenditure savings of \$0.6m occurred across the range of services provided by Council, however non-cash expenditure was up due to higher depreciation charges resulting in higher asset values.

For the financial period under review, the City of Cockburn rates and rubbish charges increased by four per cent. The minimum rate for residential properties was increased from \$456 to \$480. Rubbish charges increased to \$229.



## FINANCE & CORPORATE SERVICES DIVISION

The City maintained the five per cent early payment discount as well as lowering the interest on rates instalments to two per cent with this to drop to one per cent next year.

### THE WORKING CAPITAL RATIO

The City of Cockburn's ability to meet its commitments is calculated by measuring the City's current assets against its current liabilities.

The City's ratio of 2:52:1 is an indicator of a sound financial position. This means that the City has \$2.52 in cash and current assets for every \$1.00 of liabilities.

### CASH FLOW

For the financial year the City achieved a net cash inflow from operating activities of \$18.8 million, compared to budgeted inflow of \$14.6 million with the favourable variance, due to increased revenue from interest on investments and higher revenues from fees and charges as well as rates.

The investing activities of the City's Capital Works Program were \$17.9 million short of budget, due to a number of infrastructure projects being delayed as a result of Perth's continuing upbeat economy.

### INTERNAL AUDIT PROGRAM

Accounting Services personnel worked with the City's internal audit partner at the accounting firm, KPMG to undertake a comprehensive internal audit program. This initiative provides an increased level of confidence in the City's business controls and operational performance. The program is coordinated by the City's Finance Manager under the auspice of the City of Cockburn's Audit Committee. Issues that were undertaken included financial management processes, fixed assets, payments, procurement policies, delegations, commercial activities and Local Laws. The level of compliance in the 2007 report continues to reflect an improving trend in the City's financial management performance.

### AUDIT INDEPENDENCE

In addition to the services provided by our internal auditors, KPMG, the City of Cockburn also has Macri and Partners (formerly Barrett & Partners) as the external auditor to conduct services as required, including the statutory audit of the City's annual financial statements and reports. The scope of the external audit is reviewed by the Audit Committee each year prior to the financial statements being adopted by Council and then presented at the Annual Meeting of Electors.

### AUDIT COMMITTEE

The Audit Committee is a formally appointed committee of the Council and is responsible to that body. As part of Councils governance obligations to the community, Council has constituted the Audit Committee to facilitate:

## FINANCE & CORPORATE SERVICES DIVISION

- the enhancement of the credibility and objectivity of internal and external financial reporting;
- effective management of financial and other risks and the protection of the City's assets; and
- the effectiveness of the internal audit function.

Membership of the committee consists of the Mayor and four Councillors. Advisors to the committee are the CEO, the Director of Finance and Corporate Services, the Manager of Finance and representatives of the internal and external auditors.

### RETURN ON INVESTMENTS

The City of Cockburn's investment portfolio has performed strongly over the 2006/2007 financial period. The City's investment portfolio provides a mix of liquidity to meet the City's cash flow requirements, high degree of capital security and prudent enhancement of returns over the Local Government accepted benchmark. The City has an investment policy, which has been reviewed by the independent financial firm of Oakvale who also advise the City on a fee-for-service basis on all potential investments. Oakvale receives no trailing or hidden commissions on any investments chosen by the City.

The City's total investment portfolio outperformed the bank bill index. The return on investments for the year under review has increased 23% over the previous financial period.

### UNCOMPLETED WORKS AND CARRIED FORWARDS

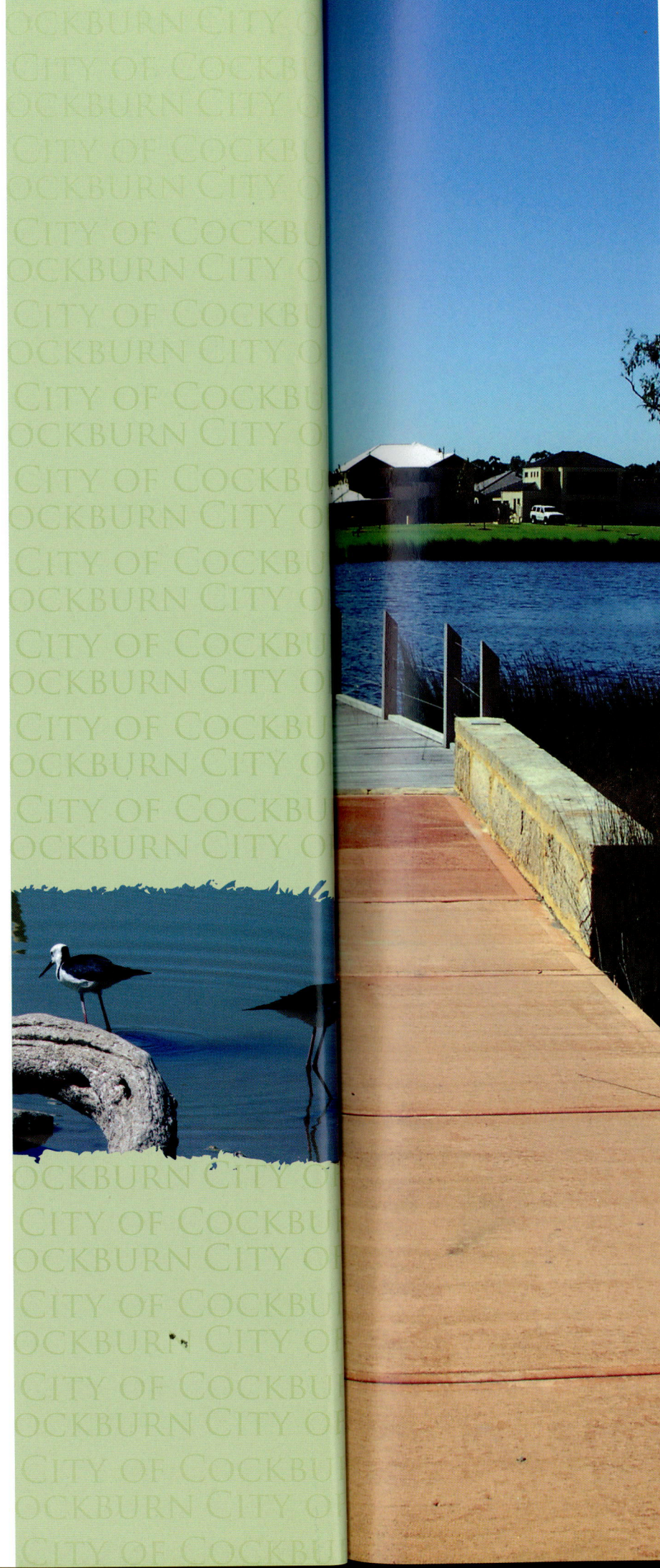
Uncompleted Works and Projects from the 2006/2007 Budget totalling \$19.3 million and associated income of \$17.2 million have been carried forward and included in the 2007/2008 Budget. Priority will be given to the completion of these works and projects.

### FINANCIAL SERVICES

During the period in review, a number of projects were undertaken to ensure the financial integrity of the City's accounting activities. The following were undertaken:

- Valuations were obtained to ensure that Council's infrastructure assets are recorded in the financial accounts at Fair Value, in accordance with the significant accounting policies;
- implementation of online requisitions system, through the City's financial software;
- additional payment options were made available for ratepayers to pay rates both electronically and at agencies;
- planning for a major upgrade of the financial system and
- separation of the financial and management accounting departments.

See Financial Statements.





## FINANCE & CORPORATE SERVICES DIVISION

### INFORMATION SERVICES

#### Information Technology:

- Laying of fibre cable between the administration building and depot enabling high speed voice and data communication.
- Introduction of virtual servers to increase redundancy and minimise server hardware purchases.
- Implementation of a storage area network.
- Upgrade of the City's PABX to enable the use of IP technology.

### GIS

The following database modules and registers have been developed with full integration into the City's GIS System:

- Completion of the automated Development Application Module (three-year project).
- Development of several community spatial databases that allow full search and enquiry facilities for internal and external clients.
- Development of a Building Asset Register for all Council-owned buildings.
- Development and implementation of the Design Drawing Register.
- Development and implementation of a Traffic Count Database.

### BUSINESS SYSTEM SERVICES: ACHIEVEMENTS

- L7 was engaged to perform a complete IT Audit of the City's IT environment. Recommendations highlighted in this report now form part of the City's Strategic Risk Management Plan and Information Services Strategic Plan.
- Rollout of a mobile computing pilot project within Health and Building Services.
- Implementation of a Customer Request Management System.

### RECORDS SERVICES: RECORD KEEPING PLAN.

The Records Manager (in consultation with key users of the system) conducted an evaluation of the Records Management System in 2006. It became evident that the City's electronic document management system had not been maintained over a long period of time. Various functions had not been monitored and policies and procedures were not being adhered to, resulting in further inefficiencies in the existing system. Feedback from training sessions and liaison with key users confirmed that these ongoing problems resulted in a lack of confidence to utilise the system efficiently. Subsequently, electronic document management (EDM) processes have been evaluated and amended and staff are currently trialling many of the new processes. Information and training sessions regarding new and amended procedures will therefore be ongoing. Current and future Records services activities revolve around re-establishing staff confidence, ensuring compliance with policies and procedures, and ensuring an efficient EDM system is implemented. A review of the City's storage repositories and a comprehensive file audit was also conducted in 2006/2007 and various projects, in particular

## FINANCE & CORPORATE SERVICES DIVISION

the 'imaging' and the 'storage restructure' projects have been organised for the coming years as a result of these reviews.

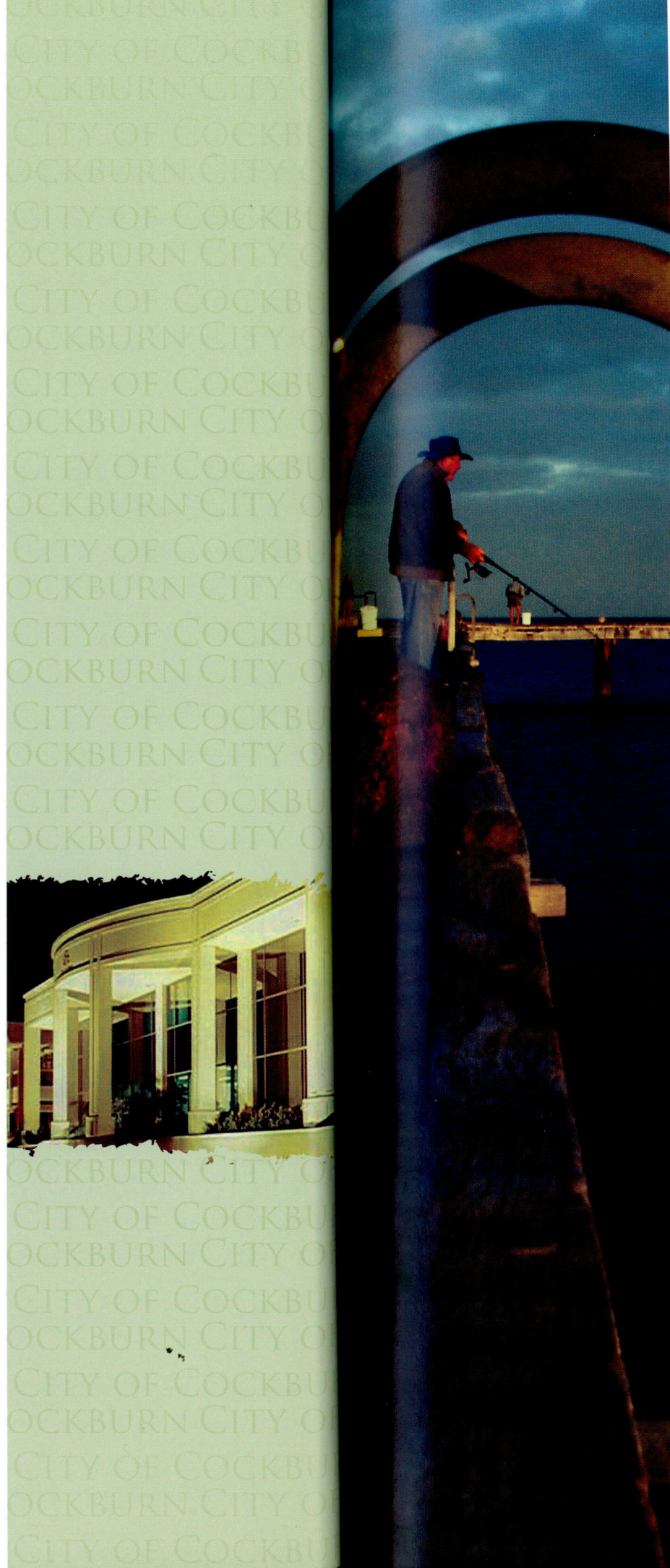
Information and induction sessions continued on a monthly basis where attendees at induction sessions are made aware of their record-keeping responsibilities. Staff members who create, collect or retain records during their employment with the City must complete a comprehensive records management training session within three months of starting employment with the City of Cockburn; 103 staff members attended both of these sessions during the year.

### HUMAN RESOURCE SERVICE

The year 2006/2007 was busy with recruitment in a very dynamic local labour market. Turnover was higher than previous years at 23% excluding our casuals, many of whom are seasonal workers at South Lake Leisure Centre. Planning Officers, Building Surveyors, Environmental Health Officers and Childcare Out of School Care workers appear to be in short supply. A total of 123 job advertisements were placed in the year including about ten jobs which were advertised on several occasions.

The most significant activity for the year was the negotiation of the new Australian Workplace Award, a Union Collective Agreement with the Australian Municipal, Administrative, Clerical and Services Union (ASU); the Association of Professional Engineers, Scientists and Managers, Australia (APESMA); and the Western Australian Shire Councils, Municipal Roads Boards, Health Boards, Parks, Cemeteries and Race Courses, Public Authorities Water Boards Union (LGRCEU). This occurred when the industrial relations framework was changing with the introduction of a Fairness Test and other requirements. Considerable work was done to ensure the Agreement was technically correct as well as being a good offer to employees. Employees have now received their pay rises and are working with the new arrangements.

The City received an IFAP / CGU Safety Achievement Award for a 33% Reduction in Lost Time Injury Frequency Rate. In November 2006 we were independently audited to AS4801:2001 Safety Compliance achieving an overall 67% grading so were awarded a Silver Diligence in Safety Award by the Local Government Insurance Scheme. We continue to focus on safety to ensure employees do not become complacent about a safe work environment.





# FINANCIAL STATEMENTS

Understanding the Financial Statements.....	31
Independent Audit Report.....	33
Statement by the Chief Executive Officer.....	35
Balance Sheet.....	36
Statement of changes in equity.....	37
Income Statement.....	38
Cash flow statement.....	39
Rate setting Statement.....	40
Notes to the Accounts.....	42
2a. Statement of Objective.....	46
2b. Control Over Contributions.....	47
2c. Assets Classified by Function.....	48
2d. Disposal of Assets.....	49
2e. Income Statement disclosed by Nature and Type.....	50
2f. Change in Net Assets.....	51
3. Cash and Cash Equivalents.....	52
4. Trade & Other Receivables.....	53
5. Inventories.....	53
6a. Trade & Other Payables.....	53
6b. Long Term Borrowings.....	53
7. Provisions.....	54
8. Property, Infrastructure, Plant and Equipment.....	54
8. Property, Infrastructure, Plant and Equipment continued.....	55
9a. Movements in Carrying Amounts.....	56
9b. Recognition of Previously Unrecognised Assets.....	56
9c. Recognition of Gifted Development Assets.....	57
9d. Revaluation of Infrastructure Assets.....	57
10. Reserves.....	58
11. Superannuation.....	64
12. Capital & Leasing Commitments.....	64
13. Notes to Cash Flow Statement.....	65
14. Interests in Joint Venture Entities (Unaudited).....	66
15. Fees and Charges.....	67
16. Other Expenses.....	69
17. Financial Ratios.....	69
18. Discounts, Incentives, Concessions, & Write Offs.....	70
19. Interest Charges, Administration Fees and Instalments.....	71
20. Prescribed Service Charges.....	72
21. Statement of Rating Information for Year Ended 30 June 2007.....	73
22. Net Current Asset Position.....	74
23. Contingent Liabilities.....	74
24. Financial Instruments.....	75
25. Major Land Transactions.....	76
26a Remuneration of Senior Employees.....	77
27. Economic Dependency.....	77
28. Opening & Closing Funds used in the Rate Setting Statement.....	78

# FINANCIAL STATEMENTS

## INTRODUCTION

The Financial Statements show how the Council performed financially during the 2006/07 financial year and presents the financial position as at the 30th June 2007.

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:

- (1)The principal Financial Statements
- (2)The Notes to and Forming Part of the Financial Statements.

There are five principal Financial Statements and 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 30 June 2007. 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 current and non-current. Current means those assets and liabilities, which are likely to be consumed or extinguished within the next 12 months.

## Statement of Changes in Equity

During the course of the year, the value of Reserves and Accumulated Surplus as set out in the Statement of Financial Position, changes. This Statement shows how these changes were effected.

The main reason for a change in Council's total equity is the surplus (or deficit) from operations as disclosed in the Income Statement.

## 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



## FINANCIAL STATEMENTS

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 is the cash at the end of the financial year.

### Rate Setting Statement

The inclusion of a Rate Setting Statement in the annual statements is a new requirement this year in accordance with 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.

## INDEPENDENT AUDIT REPORT

MACRI

PARTNERS

Certified Practising Accountants

PARTNERS  
Anthony Macri FCPA  
Domenic Macri CPA  
Connie Macri CA

### INDEPENDENT AUDIT REPORT

#### TO: RATEPAYERS OF CITY OF COCKBURN

### SCOPE

#### The financial report and Council's responsibility

We have audited the financial report of the City of Cockburn, comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended 30 June 2007.

The Council is responsible for the preparation and presentation of the financial report and the information contained therein. This includes responsibility for the establishment and maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the Council also states that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

#### Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Cockburn. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

Our audit involves performing procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 (as amended), including compliance with Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

The audit opinion expressed in this report has been formed on the above basis.

### INDEPENDENCE

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



## INDEPENDENT AUDIT REPORT

### AUDIT OPINION


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

- (a) presents fairly the financial position of the City of Cockburn as at 30 June 2007 and the results of its operations and its cash flows for the year then ended in accordance with applicable Accounting Standards; and
- (b) are prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and Regulations under that Act, and the Australian Accounting Standards (including the Australian Accounting Interpretations).

### 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 and Regulations under that Act.

  
MACRI PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS  
28 THOROGOOD STREET  
BURSWOOD WA 6100

  
A MACRI  
PARTNER


PERTH  
DATED THIS 31<sup>st</sup> DAY OF OCTOBER 2007.

## STATEMENT BY THE CEO

### 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 2007, are in my opinion, properly drawn up to present fairly the financial position of the City of Cockburn at 30 June 2007 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 30th day of October 2007

  
S. Cain  
Chief Executive Officer



## BALANCE SHEET

As at 30 June 2007		Actual 2006/07	Budget 2006/07	Actual 2005/06
	Notes	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	3	56,239,022	30,988,874	53,814,657
Trade & Other Receivables	4	4,226,548	3,359,101	3,585,492
Inventories	5	47,066	56,060	58,930
Total Current Assets		60,512,637	34,404,035	57,459,078
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	6a	4,807,360	3,120,921	3,437,990
Provisions	7	3,103,101	2,851,230	3,026,971
Total Current Liabilities		7,910,461	5,972,151	6,464,961
<b>NET CURRENT ASSETS</b>		52,602,176	28,431,884	50,994,118
<b>NON CURRENT ASSETS</b>				
Other Receivables	4	415,228	396,723	405,301
Property, Plant, & Infrastructure	8	500,662,115	262,497,057	295,014,286
Total Non Current Assets		501,077,343	262,893,780	295,419,587
<b>NON CURRENT LIABILITIES</b>				
Interest Bearing Liabilities	6b	-	2,000,000	-
Other Payables	3, 6a	4,413,443	3,180,352	3,085,096
Provisions	7	717,033	686,957	783,315
Total Non Current Liabilities		5,130,476	5,867,309	3,868,411
<b>NET ASSETS</b>		548,549,043	285,458,355	342,545,294
<b>EQUITY</b>				
Accumulated Surplus		268,667,013	222,730,378	241,929,191
Reserves - Cash/Investment Backed	10	36,385,808	22,909,596	37,355,367
Reserves - Asset Revaluation	9d, 10	243,496,222	39,818,381	63,260,737
<b>TOTAL EQUITY</b>		548,549,043	285,458,355	342,545,294

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2007		Actual 2006/07	Budget 2006/07	Actual 2005/06
	Notes	\$	\$	\$
<b>RESERVES CASH BACKED</b>				
Balance at beginning of year		37,355,367	37,041,174	30,972,500
Transfer from accumulated surplus		16,233,141	9,089,822	12,958,574
Transfer to accumulated surplus		(17,202,699)	(23,221,400)	(6,575,707)
Balance at end of reporting period	10	36,385,808	22,909,596	37,355,367
<b>RESERVES - ASSET REVALUATION</b>				
Balance at beginning of year		63,260,737	39,818,381	39,818,381
Revaluation Increments during year		180,235,486	-	23,442,356
Balance at end of reporting period	10	243,496,222	39,818,381	63,260,737
<b>TOTAL RESERVES</b>		279,882,030	62,727,977	100,616,103
<b>ACCUMULATED SURPLUS</b>				
Balance at beginning of year		241,929,191	195,910,934	192,297,692
Change in Net Assets	2e	25,768,263	12,687,866	56,014,366
Transfer from reserves		17,202,699	23,221,400	6,575,707
Transfer to reserves		(16,233,141)	(9,089,822)	(12,958,574)
Balance at end of reporting period		268,667,013	222,730,378	241,929,191
<b>TOTAL EQUITY</b>		548,549,043	285,458,355	342,545,294

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



## INCOME STATEMENT

For the year ended 30 June 2007		Actual 2006/07	Budget 2006/07	Actual 2005/06
	Notes	\$	\$	\$
<b>REVENUES</b>				
<b>Revenue From Ordinary Activities</b>				
General Purpose Funding		32,206,810	30,851,738	28,732,872
Governance		85,249	67,350	124,011
Law Order & Public Safety		2,293,634	2,279,796	2,134,488
Health		129,872	112,910	132,078
Education & Welfare		3,921,075	4,443,816	4,380,272
Community Amenities		16,410,404	15,995,858	14,206,866
Recreation & Culture		2,571,115	2,533,546	2,975,562
Transport		510,840	222,500	515,411
Economic Services		1,909,879	1,434,880	1,572,894
Other Property & Services		778,079	193,109	2,763,402
<b>TOTAL OPERATING REVENUES</b>	2e	<b>60,816,956</b>	<b>58,135,503</b>	<b>57,537,857</b>
<b>EXPENSES</b>				
General Purpose Funding		(814,029)	(1,068,700)	(869,560)
Governance		(3,951,664)	(4,678,856)	(4,008,780)
Law Order & Public Safety		(3,369,322)	(3,547,543)	(3,370,017)
Health		(958,954)	(1,134,420)	(895,026)
Education & Welfare		(5,699,841)	(6,698,192)	(5,761,935)
Community Amenities		(12,684,381)	(13,288,082)	(10,866,103)
Recreation & Culture		(13,100,779)	(13,279,431)	(11,440,978)
Transport		(9,171,756)	(7,905,269)	(7,405,008)
Economic Services		(1,126,172)	(1,041,269)	(915,435)
Other Property & Services		(2,743,808)	(376,107)	(818,583)
<b>Total Operating Expenditure</b>	2e	<b>(53,620,705)</b>	<b>(53,017,869)</b>	<b>(46,351,424)</b>
<b>Increase/(Decrease)</b>		<b>7,196,251</b>	<b>5,117,634</b>	<b>11,186,433</b>
<b>GRANTS/CONTRIBUTIONS TOWARDS ASSETS</b>				
Law Order & Public Safety		17,087	-	297,554
Education & Welfare		10,693	9,100	14,864
Community Amenities		25,471	163,806	25,899
Recreation & Culture		161,666	1,394,011	655,465
Transport		4,253,151	5,438,967	1,348,848
Other Property & Services		3,128,839	84,100	(77,316)
		<b>7,596,906</b>	<b>7,089,984</b>	<b>2,265,313</b>
Gifted And Previously Unrecognised Assets		<b>9,896,606</b>	<b>-</b>	<b>42,409,724</b>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS</b>				
Proceeds from Sale		2,100,973	1,011,800	2,177,862
Book Value		(1,022,473)	(531,552)	(2,024,967)
	2f	<b>1,078,500</b>	<b>480,248</b>	<b>152,896</b>
<b>CHANGE IN NET ASSETS</b>	2e	<b>25,768,263</b>	<b>12,687,866</b>	<b>56,014,366</b>

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

## CASH FLOW STATEMENT

For the year ended 30 June 2007		Actual 2006/07	Budget 2006/07	Actual 2005/06
	Notes	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments				
Employee Cost		(21,680,107)	(21,440,770)	(19,651,687)
Materials and Contracts		(21,966,280)	(23,863,184)	(18,776,040)
Utilities		(1,876,546)	(1,699,360)	(1,704,398)
Insurances		(996,025)	(1,064,863)	(1,040,522)
Other Expenses		(2,509,783)	(2,867,186)	(2,345,990)
		<b>(49,028,740)</b>	<b>(50,935,363)</b>	<b>(43,518,636)</b>
Receipts				
Rates		25,536,226	24,970,000	23,000,172
Fees and Charges		23,742,977	22,805,799	20,350,657
Contributions, Donations and Reimbursements		5,414,680	5,148,196	5,194,735
Interest Received		4,729,568	3,352,042	3,835,836
GST Refunded by ATO		2,315,340	2,650,000	1,751,680
Grants - Operating		6,075,549	6,622,122	6,650,082
Other Revenue/Income		55,689	7,350	11,003
		<b>67,870,029</b>	<b>65,555,509</b>	<b>60,794,165</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	13a	<b>18,841,289</b>	<b>14,620,146</b>	<b>17,275,530</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale on Non Current Assets	2d	2,100,973	1,011,800	2,177,862
Purchase Furniture and Equipment		(502,241)	(323,200)	(38,059)
Purchase Computer Equipment		(604,321)	(935,299)	(273,281)
Purchase & Construction of Infrastructure Assets		(11,211,750)	(20,097,454)	(7,421,451)
Purchase Plant and Machinery		(2,133,374)	(2,936,180)	(2,173,821)
Purchase & Development of Land		(2,429,831)	(20,000)	(447,650)
Purchase & Construction of Buildings		(6,631,548)	(15,985,722)	(4,639,152)
Grants - Capital		3,666,823	3,669,978	1,532,553
		<b>(17,745,270)</b>	<b>(35,616,077)</b>	<b>(11,282,999)</b>
<b>NET CASH FLOWS FROM INVESTING</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase/Decrease in Bonds Held		1,328,347	-	774,348
Proceeds from New Borrowings		-	2,000,000	-
		<b>1,328,347</b>	<b>2,000,000</b>	<b>774,348</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>NET INCREASE/DECREASE IN CASH HELD</b>		<b>2,424,366</b>	<b>(18,995,931)</b>	<b>6,766,879</b>
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>		<b>53,814,657</b>	<b>49,984,805</b>	<b>47,047,778</b>
<b>CASH AT END OF REPORTING PERIOD</b>	3,13b	<b>56,239,022</b>	<b>30,988,874</b>	<b>53,814,657</b>

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



## RATE SETTING STATEMENT

For the year ended 30 June 2007

		Actual 2006/07	Budget 2006/07
	Notes	\$	\$
<b>Operating Revenue</b>			
General Purpose Funding (Excluding Rates)		6,758,399	5,881,738
Governance		85,249	67,350
Law, Order and Public Safety		2,293,634	2,279,796
Health		129,872	112,910
Education and Welfare		3,934,484	4,453,079
Community Amenities		16,410,404	15,995,858
Recreation and Culture		2,571,115	2,533,546
Transport		786,137	606,940
Economic Services		1,893,602	1,434,880
Other Property and Services		1,584,148	279,654
<b>Total Operating Revenue</b>		<b>36,447,045</b>	<b>33,645,751</b>
<b>Operating Expenditure</b>			
General Purpose Funding		(814,029)	(1,068,700)
Governance		(3,951,664)	(4,678,856)
Law, Order and Public Safety		(3,369,322)	(3,547,543)
Health		(958,954)	(1,134,420)
Education and Welfare		(5,699,841)	(6,698,192)
Community Amenities		(12,684,381)	(13,288,082)
Recreation and Culture		(13,100,779)	(13,279,431)
Transport		(9,171,756)	(7,905,269)
Economic Services		(1,126,172)	(1,041,269)
Other Property and Services		(2,743,808)	(376,107)
<b>Total Operating Expenditure</b>		<b>(53,620,705)</b>	<b>(53,017,869)</b>
<b>Change in Net Assets Resulting from Operations before Rates</b>		<b>(17,173,660)</b>	<b>(19,372,118)</b>
<b>Less Non-Cash Expenses and Income</b>			
Profit/(Loss) on Assets Disposals	2d	(1,078,500)	(480,248)
Depreciation on Assets	2e	6,974,856	6,082,506
Movement in Non-Current Employee Benefit Provisions		(66,282)	-
		(11,343,586)	(13,769,860)
<b>Less Capital Expenses</b>			
Purchase of Land and Buildings		(12,724,756)	(15,992,415)
Purchase of Infrastructure Assets		(17,439,530)	(20,110,761)
Purchase of Plant and Machinery		(2,133,374)	(2,936,180)
Purchase of Furniture and Equipment		(502,241)	(323,200)
Purchase of Computer Equipment		(609,771)	(935,299)
Transfer to Reserves	10	(16,233,141)	(9,089,822)
		(60,986,399)	(63,157,537)

## RATE SETTING STATEMENT CONTINUED

		Actual 2006/07	Budget 2006/07
	Notes	\$	\$
<b>Add Funding from</b>			
Contributions/Grants for the development of Assets		17,493,512	7,089,984
Proceeds on Sale of Assets	2d	2,100,973	1,011,800
Reserves	10	17,202,699	23,221,400
Deferred Pensioner Rates Movement		(9,927)	-
Proceeds from New Loans		-	2,000,000
		(24,199,140)	(29,834,353)
<b>Adjustments</b>			
Net movement in unspent grants & contributions		(1,609,369)	-
Net movement in cash-backed leave provisions		308,436	189,081
		(25,500,074)	(29,645,272)
Add: Opening Funds	28a	7,764,962	5,290,945
Less: Closing Funds	28b	(7,713,298)	(615,673)
<b>Amount Required to be Raised from Rates</b>	2e	<b>(25,448,411)</b>	<b>(24,970,000)</b>

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



# NOTES TO THE ACCOUNTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

The following Significant Accounting Policies have been adopted in the preparation of the financial statements:

### [A] BASIS OF ACCOUNTING

The City of Cockburn Financial Statement has been prepared to comply with applicable Australian Accounting Standards and disclosure requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. They are prepared on an annual accrual basis under the convention of historical cost accounting.

### COMPLIANCE WITH IFRSS

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the City of Cockburn complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standards AAS 27 Financial Reporting by Local Governments also applies and there is no equivalent standard in IFRSs.

The principle areas of non-compliance with IFRSs include:

- The recognition of non-reciprocal revenue;
- The definition of value in use for the purpose of estimating the recoverable amount of impaired assets; and
- The offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

### CRITICAL ACCOUNTING ESTIMATE

The preparation of a Financial Report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and

liabilities, revenue and expenses. The estimates and assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances – the results of which form the basis of making judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

### [B] CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at bank (and on hand), managed cash fund investments and direct investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts. Any bank overdrafts are included as short term borrowings in current liabilities on the Balance Sheet.

### [C] TRADE AND OTHER RECEIVABLES

Trade Receivables are carried at nominal amounts. Due to the materially insignificant value of bad debts, no provision for doubtful debts is made.

Credit terms offered to the City's non-rates debtors are 30 days net. Interest is not payable on overdue amounts.

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 19.

### [D] TRADE AND OTHER PAYABLES

Trade Payables and Other Payables are carried at cost. They represent liabilities for goods and services provided to Council prior to the end of the financial year that are unpaid and arise when Council 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.

# NOTES TO THE ACCOUNTS

## [E] THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which Council controls the resources to carry on its functions have been included in the financial statements. In the process of reporting on the City as a single entity, all transactions and balances between funds [for example transfers between funds] have been eliminated.

## [F] RECOGNITION OF NON-CURRENT ASSETS

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

The council has elected not to recognise the value of land under roads as an asset in accordance with the transition arrangements available under AASB 1045.

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.

	\$
Land & Buildings	0
Furniture & Equipment and Computer Equipment	1,000
Plant & Machinery	3,000
Infrastructure Assets	5,000
Software	20,000

## [G] REVALUATION OF NON CURRENT ASSETS

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

## [H] DEPRECIATION OF NON-CURRENT ASSETS (OTHER THAN LAND)

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 Equipment	5 years
Plant & Machinery	3-10 years

Infrastructure Assets	
Infrastructure – Footpaths	50 years
Infrastructure – Drainage	30-75 years
Infrastructure – Roads	20-50 years
Infrastructure – Bridges	30-50 years
Infrastructure – Parks Equipment & Furnishings	10-30 years
Bus Shelters	20 Years



## NOTES TO THE ACCOUNTS

### [I] EMPLOYEE BENEFITS

Employee entitlements are accrued on a pro-rata basis in accordance with Contractual Agreements, Industrial Awards and legislation relating to Annual and Long Service Leave with respect of services provided by employees up to the reporting date.

The provisions for employee benefits relates to amounts expected to be paid for long service, annual leave wage & salary rates and are calculated as follows.

#### **Annual leave and Long Service Leave (long term benefits)**

The provision for employee benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the council resulting from the employee's service to balance date. A cash backed Reserve has been established to cover the Council's potential liability for long service leave.

#### **Wages, Salaries and Annual leave (short term benefits)**

The provision for employee benefits to wages and salaries, annual leave and long service leave expected to be settled within 12 months from the reporting date represents the amount that the municipality has a present obligation to pay resulting from the employees service 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. A cash backed Reserve has been established to cover the Council's potential liability for Leave entitlements.

### [J] SUPERANNUATION

The Council is a member of the Western Australian Local Government Superannuation Plan (LGSP). Council's superannuation contributions are 9% to the Superannuation Guarantee Charge, plus Council contribution of 4%.

### [K] INVESTMENTS

Investments are valued at cost and interest on those investments is recognised as revenue as it accrues.

### [L] 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 financing of the land during its development. Interest and other holding charges incurred after development is complete are recognised immediately as expenses.

Revenue arising from the sale of property is recognised in the operating statement at the time of contract of sale.

### [M] CASH BACKED RESERVES

Council maintains separately identifiable investment instruments for the total of all established Reserve Funds. All Reserve Funds are cash backed with the exception of the Asset Revaluation Reserve.

### [N] RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

Rates, grants, donations and other contributions have been recognised as revenue when Council obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained on the date rates are levied. As outstanding rates are a charge against the land and will ultimately be collected, provision for doubtful rate debts will not be made.

Control over granted assets is normally obtained upon their receipt. Where contributions are only secured in arrears on satisfaction of specific conditions, control is deemed to occur upon satisfaction of the grant conditions according to the matching principle for the accounting period.

### [O] JOINT VENTURE

The Council's interest in any joint ventures has been recognised through disclosure of its share of any assets, liabilities, revenues and expenses within Note 14.

### [P] LEASES

Leases of fixed assets, where the risks and benefits incidental to the ownership of the asset (but not legal ownership) are substantially transferred to the

## NOTES TO THE ACCOUNTS

City, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. 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] IMPAIRMENT OF ASSETS

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB136 "Impairment of assets" and appropriate adjustments are 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.

### [R] FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Council's financial assets and financial liabilities are measured at their initial recognition amount. No financial assets or financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as the Council intends to hold these assets to maturity.

The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.

### [S] COMPARATIVE FIGURES

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

### [T] ROUNDING OFF FIGURES

All figures shown in the financial statements, other than rates in the dollar, are rounded to the nearest dollar.

### [U] 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.

### [V] CHANGES IN ACCOUNTING POLICIES

The accounting policies shown in this document are consistent with those of the previous year with the only exception being the amendment of note (c) Recognition of Non Current Assets to now recognise infrastructure assets at their fair value (instead of cost). The impact of this change is shown at note 9 (d).



## NOTES TO THE ACCOUNTS

### 2A. 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).

## NOTES TO THE ACCOUNTS

### 2B. CONTROL OVER CONTRIBUTIONS

	Actual 2006/07	Actual 2005/06
	\$	\$
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	1,729,287	147,273
Footpath Development	-	61,535
Public Open Space Development	-	345,723
Drainage Development	-	-
Midge Research	-	-
Funded Projects & Social Services	1,120,749	1,308,398
Security Service Charges	295,988	152,958
	<b>3,146,024</b>	<b>2,015,886</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:		
Road Construction & Development	796,855	511,894
Footpath Development	807,862	870,111
Public Open Space Development	1,627,759	1,366,239
Drainage Development	383,492	383,492
Midge Research	20,500	25,500
Bibra Lake Development	142,509	142,509
	<b>3,778,977</b>	<b>3,299,745</b>
	<b>6,925,001</b>	<b>5,315,631</b>
<b>Total Unapplied Contributions</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	44,643	115,995
Bibra Lake Development	-	-
Drainage Development	-	5,000
Footpath Development	155,657	76,708
Public Open Space Development	223,050	424,448
Midge Research	5,000	19,817
Funded Projects & Social Services	1,284,564	990,934
Security Service Charges	152,958	-
	<b>1,865,872</b>	<b>1,632,902</b>



## NOTES TO THE ACCOUNTS

### 2C. ASSETS CLASSIFIED BY FUNCTION

Property Plant, Infrastructure and Depreciation Classified by Function and Activity

	CARRYING AMOUNTS			DEPRECIATION RAISED		
	Actual 2006/07	Budget 2006/07	Actual 2005/06	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$	\$	\$	\$
Governance	14,140,487	14,411,092	6,348,302	492,077	413,382	465,364
Law, Order and Public Safety	1,104,268	637,244	771,094	112,976	66,903	69,933
Health	737,297	547,203	493,865	2,087	1,962	1,961
Education and Welfare	1,759,794	3,126,127	933,198	20,872	19,134	21,788
Community Amenities	5,289,767	8,602,883	3,510,832	9,939	8,719	9,395
Recreation and Culture	50,684,300	55,207,615	46,544,939	949,812	870,276	837,497
Transport	372,659,784	149,635,570	184,621,935	3,405,757	2,800,378	2,671,667
Economic Services	237,906	324,791	235,252	1,921	1,920	1,921
Other Property and Services	54,048,513	30,004,532	51,554,870	1,979,415	1,899,832	1,935,497
<b>Total</b>	<b>500,662,115</b>	<b>262,497,057</b>	<b>295,014,286</b>	<b>6,974,856</b>	<b>6,082,506</b>	<b>6,015,022</b>

Total Assets Classified by Function and Activity

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
General Purpose Funding	8,994,196	1,021,033	8,631,143
Governance	23,219,296	20,552,105	13,453,370
Law, Order and Public Safety	1,400,256	637,244	924,052
Health	737,297	547,203	493,865
Education and Welfare	5,335,883	3,939,135	3,018,140
Community Amenities	27,632,019	24,629,549	23,464,281
Recreation and Culture	57,164,111	58,239,240	55,636,614
Transport	380,132,790	155,101,322	191,860,655
Economic Services	528,444	598,914	483,541
Other Property and Services	56,445,688	32,032,070	54,913,004
<b>Total</b>	<b>561,589,980</b>	<b>297,297,815</b>	<b>352,878,665</b>

## NOTES TO THE ACCOUNTS

### 2D. DISPOSAL OF ASSETS

	NET BOOK VALUE			SALE PRICE			PROFIT/(LOSS)		
	Actual 2006/07	Budget 2006/07	Actual 2005/06	Actual 2006/07	Budget 2006/07	Actual 2005/06	Actual 2006/07	Budget 2006/07	Actual 2005/06
BY FUNCTION	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	-	-	3,948	-	-	-	-	-	(3,948)
Law, Order and Public Safety	-	-	-	-	-	101,000	-	-	101,000
Education and Welfare	-	7,937	-	13,409	17,200	21,586	13,409	9,263	21,586
Recreation and Culture	-	-	102,098	-	-	-	-	-	(102,098)
Transport	87,012	101,860	80,294	362,309	486,300	244,436	275,298	384,440	164,142
Economic Services	16,277	-	-	-	-	-	(16,277)	-	-
Other Property and Services	919,185	421,755	1,838,627	1,725,255	508,300	1,810,840	806,070	86,545	(27,788)
<b>Total</b>	<b>1,022,473</b>	<b>531,552</b>	<b>2,024,967</b>	<b>2,100,973</b>	<b>1,011,800</b>	<b>2,177,862</b>	<b>1,078,500</b>	<b>480,248</b>	<b>152,896</b>
BY ASSET CLASSIFICATION									
Land	595,640	20,000	1,540,219	1,322,727	20,000	1,488,777	727,087	-	(51,442)
Buildings	16,277	-	102,098	-	-	-	(16,277)	-	(102,098)
Furniture and Equipment	2,833	-	-	100	-	-	(2,733)	-	-
Computers	-	-	3,948	-	-	455	-	-	(3,493)
Plant and Equipment	407,724	511,552	378,702	778,146	991,800	688,631	370,422	480,248	309,930
<b>Total</b>	<b>1,022,473</b>	<b>531,552</b>	<b>2,024,967</b>	<b>2,100,973</b>	<b>1,011,800</b>	<b>2,177,862</b>	<b>1,078,500</b>	<b>480,248</b>	<b>152,896</b>



NOTES TO THE ACCOUNTS  
2E. INCOME STATEMENT DISCLOSED BY NATURE AND TYPE

	Actual 2006/07 \$	Budget 2006/07 \$	Actual 2005/06 \$
<b>OPERATING REVENUE</b>			
Rates	25,448,411	24,970,000	22,755,720
Fees and Charges	23,023,143	21,455,799	19,823,241
Grants and Subsidies	6,075,549	6,622,122	6,650,082
Contributions, Donations and Reimbursements	1,484,597	1,728,190	4,461,975
Interest Earnings	4,729,568	3,352,042	3,835,836
Other revenue and Income	55,689	7,350	11,003
<b>Total Operating Revenue</b>	<b>60,816,956</b>	<b>58,135,503</b>	<b>57,537,857</b>
<b>OPERATING EXPENDITURE</b>			
Employee Cost	21,689,955	21,440,770	19,923,928
Materials and Contracts	19,573,542	19,863,184	15,321,565
Utilities	1,876,546	1,699,360	1,704,398
Insurances	996,025	1,064,863	1,040,522
Other Expenses	2,509,783	2,867,186	2,345,990
Depreciation on Non Current Assets	6,974,856	6,082,506	6,015,022
<b>Total Operating Expenditure</b>	<b>53,620,705</b>	<b>53,017,869</b>	<b>46,351,424</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATING ACTIVITIES</b>	<b>7,196,251</b>	<b>5,117,634</b>	<b>11,186,433</b>
<b>NON-OPERATING ACTIVITIES</b>			
Capital Grants & Subsidies	3,666,823	3,669,978	1,532,553
Contributions - Asset Development	13,826,690	3,420,006	43,142,484
Profit/(Loss) on Sale of Assets	1,078,500	480,248	152,896
<b>Total Non-Operating Activities</b>	<b>18,572,012</b>	<b>7,570,232</b>	<b>44,827,933</b>
<b>NET RESULT</b>	<b>25,768,263</b>	<b>12,687,866</b>	<b>56,014,366</b>

NOTES TO THE ACCOUNTS  
2F. CHANGE IN NET ASSETS

	Actual 2006/07 \$	Budget 2006/07 \$	Actual 2005/06 \$
The change in net assets resulting from Operations was arrived at after charging/crediting the following items:			
<b>AFTER CHARGING</b>			
Depreciation	784,888	1,054,639	1,035,743
Buildings	1,389,059	1,298,130	1,354,288
Plant and Machinery	638,873	536,270	605,153
Furniture and Equipment	2,809,207	2,236,715	2,127,394
Infrastructure - Roads	370,686	367,345	363,554
Infrastructure - Drainage	220,560	193,515	175,691
Infrastructure - Footpaths	761,583	395,892	353,199
Infrastructure - Parks Equipment	<b>6,974,856</b>	<b>6,082,506</b>	<b>6,015,022</b>
Profit/(Loss) on Sale of Assets	2,100,973	1,011,800	2,177,862
Proceeds from Disposal of Non Current Assets	(1,022,473 )	(531,552)	(2,024,967)
Carrying Amount of Non Current Assets	<b>1,078,500</b>	<b>480,248</b>	<b>152,896</b>
<b>AFTER CREDITING</b>			
Interest Earnings	2,959,930	1,708,122	2,085,820
Interest received on Reserve Funds	1,769,639	1,653,100	1,750,016
Interest received on Other Funds	<b>4,729,568</b>	<b>3,361,222</b>	<b>3,835,836</b>



# NOTES TO THE ACCOUNTS 3. CASH & CASH EQUIVALENTS

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
Cash	1,621,702	98,136	1,701,843
Investments	54,617,320	30,890,738	52,112,814
	<b>56,239,022</b>	<b>30,988,874</b>	<b>53,814,657</b>
Restricted Funds	47,724,251	30,532,227	45,756,094
Unrestricted Funds	8,514,771	456,647	8,058,563
	<b>56,239,022</b>	<b>30,988,874</b>	<b>53,814,657</b>

## SUMMARY OF RESTRICTED FUNDS

### Sundry Deposits and Bonds

General Deposits	567,588	649,547	554,290
Quarry Bonds	582,048	542,309	542,309
Footpath Construction Bonds	145,537	57,087	57,087
Retention Bonds	28,727	66,500	66,500
Hall/Reserve Hire Bonds	13,635	13,447	13,447
Maintenance Bonds	1,095,997	1,851,462	768,539
Incomplete Works Bonds	1,725,938	-	913,451
Environmental Rehabilitation Bonds	253,971	-	169,472
	<b>4,413,443</b>	<b>3,180,352</b>	<b>3,085,096</b>

### Other Restricted Funds

Roads Construction and Development	796,855	726,197	659,167
Bibra Lake Development	142,509	142,508	142,509
Drainage Development	383,492	383,492	383,492
Footpaths Development	807,862	1,008,354	931,646
Public Open Space Development	1,627,759	2,136,411	1,711,963
Midge Research	20,500	45,317	25,500
Unspent Grant Funding	2,850,036	-	1,308,398
Security Service Levy Charges Unspent	295,988	-	152,958
	<b>6,925,001</b>	<b>4,442,279</b>	<b>5,315,631</b>

### Cash Backed Reserve Funds

Leave Liability	2,835,373	2,716,016	2,526,938
Plant & Vehicle Replacement	3,174,572	2,366,507	2,717,820
Computer Replacement	1,185,046	954,416	991,730
Major Building Refurbishment	3,342,263	880,673	2,113,262
Waste & Recycling	7,248,026	4,191,418	8,231,908
Land Development	2,397,175	2,027,538	3,358,134
Roads & Drainage Infrastructure	2,263,159	925,142	2,487,666
Naval Base Chalets	290,538	274,123	248,289
Mobile Rubbish Bins	1,084,681	1,062,943	1,005,147
Community & Recreation Facilities	4,838,417	881,767	7,366,266
Youth Advisory Council Canberra Trip	-	7,865	7,865
Community Bus	-	73,801	70,027
Workers Compensation	178,831	175,410	165,718
Green House Emissions Reduction	100,247	65,589	78,436
Development Contribution Plans	5,996,318	4,868,397	4,898,205
FDC Building Maintenance	36,984	34,513	36,440

# NOTES TO THE ACCOUNTS 3. CASH & CASH EQUIVALENTS CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
FDC Vehicle	30,288	29,662	28,067
Aged and Disabled Vehicles	124,889	122,439	115,731
Welfare Projects Employee Entitlements	531,392	542,228	518,413
Bibra Lake Nutrient Management	142,954	130,549	109,305
Contaminated Sites	415,825	411,500	200,000
Municipal Elections	166,330	164,600	80,000
DCD Redundancies Reserve	2,500	2,500	-
	<b>36,385,808</b>	<b>22,909,596</b>	<b>37,355,367</b>
	<b>47,724,251</b>	<b>30,532,227</b>	<b>45,756,094</b>

## TOTAL RESTRICTED FUNDS

## 4. TRADE & OTHER RECEIVABLES

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>CURRENT</b>			
Rates Outstanding	69,536	167,663	167,278
Rubbish Charges Outstanding	78,447	100,544	100,544
Sundry Debtors	3,303,916	2,490,543	2,711,038
GST Receivable	564,178	436,739	435,880
Prepayments	210,471	163,612	170,751
	<b>4,226,548</b>	<b>3,359,101</b>	<b>3,585,492</b>
<b>NON CURRENT</b>			
Rates Outstanding - Pensioners	415,228	396,723	405,301
	<b>415,228</b>	<b>396,723</b>	<b>405,301</b>

## 5. INVENTORIES

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
Depot Store	47,066	56,060	58,930

## 6A. TRADE & OTHER PAYABLES

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>CURRENT</b>			
Creditors	4,272,956	2,266,764	2,542,480
Income Received in Advance	425,363	722,291	761,199
GST Payable	109,041	131,866	134,311
	<b>4,807,360</b>	<b>3,120,921</b>	<b>3,437,990</b>
<b>NON CURRENT</b>			
Sundry Deposits and Bonds	4,413,443	3,180,352	3,085,096



## NOTES TO THE ACCOUNTS

### 6B. LONG TERM BORROWINGS

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>NON CURRENT</b>	\$	\$	\$
Secured by Floating Charge - Debenture	-	2,000,000	-

## 7. PROVISIONS

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>CURRENT</b>	\$	\$	\$
Provision for Annual Leave	1,858,645	1,803,790	1,951,922
Provision for Long Service Leave	1,244,456	1,047,440	1,075,048
	<b>3,103,101</b>	<b>2,851,230</b>	<b>3,026,971</b>

<b>NON CURRENT</b>			
Provision for Long Service Leave	550,489	686,957	783,315
Provision for Annual Leave	166,544	-	-
	<b>717,033</b>	<b>686,957</b>	<b>783,315</b>

## 8. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>INFRASTRUCTURE - ROADS</b>	\$	\$	\$
At cost	-	121,308,458	149,647,516
At Management Valuation 2007	305,650,491	-	-
LESS Accumulated Depreciation	89,778,434	18,326,582	16,089,867
	<b>215,872,057</b>	<b>102,981,876</b>	<b>133,557,648</b>
<b>INFRASTRUCTURE - DRAINAGE</b>			
At cost	-	29,565,621	28,446,247
At Management Valuation 2007	156,621,187	-	-
LESS Accumulated Depreciation	47,539,283	3,568,392	3,201,047
	<b>109,081,904</b>	<b>25,997,229</b>	<b>25,245,201</b>
<b>INFRASTRUCTURE - FOOTPATHS</b>			
At cost	-	10,283,335	11,444,205
At Management Valuation 2007	38,456,346	-	-
LESS Accumulated Depreciation	8,466,575	1,291,365	1,097,850
	<b>29,989,771</b>	<b>8,991,970</b>	<b>10,346,355</b>
<b>INFRASTRUCTURE - PARKS EQUIPMENT</b>			
At cost	10,822,654	9,444,394	8,145,469
LESS Accumulated Depreciation	2,743,035	2,377,344	1,981,452
	<b>8,079,619</b>	<b>7,067,050</b>	<b>6,164,017</b>

## NOTES TO THE ACCOUNTS

### 8. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>INFRASTRUCTURE - PARKS LANDSCAPING</b>			
At cost	9,134,506	10,670,226	9,018,773
	<b>9,134,506</b>	<b>10,670,226</b>	<b>9,018,773</b>
<b>REFUSE SITE</b>			
At cost	7,868,265	12,896,955	7,856,166
	<b>7,868,265</b>	<b>12,896,955</b>	<b>7,856,166</b>
<b>LAND</b>			
At Independent Valuation 2006	58,824,544	34,562,980	58,410,184
	<b>58,824,544</b>	<b>34,562,980</b>	<b>58,410,184</b>
<b>BUILDINGS</b>			
At cost	-	62,603,059	44,553,800
At Management Valuation 2007	75,844,430	-	-
LESS Accumulated Depreciation	33,018,982	11,561,960	10,458,264
	<b>42,825,448</b>	<b>51,041,099</b>	<b>34,095,536</b>
<b>FURNITURE AND EQUIPMENT</b>			
At cost	2,512,413	2,413,748	2,090,548
LESS Accumulated Depreciation	1,567,541	1,641,194	1,512,083
	<b>944,872</b>	<b>772,554</b>	<b>578,464</b>
<b>COMPUTERS</b>			
At cost	3,058,565	3,385,409	2,449,427
LESS Accumulated Depreciation	2,079,908	1,983,165	1,576,006
	<b>978,657</b>	<b>1,402,244</b>	<b>873,421</b>
<b>PLANT AND MACHINERY</b>			
At cost	9,654,577	10,211,291	9,150,544
LESS Accumulated Depreciation	4,262,998	4,098,417	4,095,991
	<b>5,391,579</b>	<b>6,112,874</b>	<b>5,054,552</b>
<b>WORK IN PROGRESS</b>			
At cost	11,670,892	-	3,813,970
	<b>11,670,892</b>	<b>-</b>	<b>3,813,970</b>
<b>TOTAL PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>			
Gross Book Value	690,118,871	307,345,476	335,026,847
LESS Accumulated Depreciation	189,456,756	44,848,419	40,012,561
<b>NET BOOK VALUE</b>	<b>500,662,115</b>	<b>262,497,057</b>	<b>295,014,286</b>



## NOTES TO THE ACCOUNTS

### 9A. 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:

2006/07	Carrying amount at beginning of the year	add: Acquisitions	add: "Assets previously unrecognised (note 10c.)"	add: Gifted Development Assets	add / (less) Revaluation increments/ (decrements)	less: Disposals & Write Offs	less: Depreciation	Carrying amount at end of the year
Plant & Machinery	5,054,552	2,133,810	-	-	-	(407,724)	(1,389,059)	<b>5,391,579</b>
Furniture & Equipment	578,464	504,211	-	-	-	(2,833)	(134,971)	<b>944,872</b>
Computer Equipment	873,421	609,138	-	-	-	-	(503,902)	<b>978,657</b>
Buildings	34,095,536	3,571,724	2,410,544	-	3,548,808	(16,277)	(784,888)	<b>42,825,448</b>
Freehold Land	58,410,184	1,010,000	-	-	-	(595,640)	-	<b>58,824,544</b>
Tip Site Infrastructure	7,856,166	12,100	-	-	-	-	-	<b>7,868,265</b>
Footpaths Infrastructure	10,346,355	493,514	-	838,672	18,531,791	-	(220,560)	<b>29,989,771</b>
Drainage Infrastructure	25,245,201	340,983	-	-	83,866,406	-	(370,686)	<b>109,081,904</b>
Roads Infrastructure	133,557,648	4,193,195	-	6,641,940	74,288,481	-	(2,809,207)	<b>215,872,057</b>
Parks & Gardens Infrastructure	9,018,773	115,734	-	-	-	-	-	<b>9,134,506</b>
Parks Equipment	6,164,017	2,677,185	-	-	-	-	(761,583)	<b>8,079,619</b>
Works in Progress	3,813,970	7,856,922	-	-	-	-	-	<b>11,670,892</b>
<b>Total</b>	<b>295,014,286</b>	<b>23,518,516</b>	<b>2,410,544</b>	<b>7,480,612</b>	<b>180,235,486</b>	<b>(1,022,473)</b>	<b>(6,974,856)</b>	<b>500,662,115</b>

### 9B. RECOGNITION OF PREVIOUSLY UNRECOGNISED ASSETS

'As part of the City's ongoing Asset Management Program, an audit of existing infrastructure assets was performed by staff.

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.

The values for these assets were calculated based on current replacement cost adjusted for depreciation to date as follows:

New Buildings Recognised -	\$2,410,544
Revenue Recognised -	\$2,410,544

## NOTES TO THE ACCOUNTS

### 9C. RECOGNITION OF GIFTED DEVELOPMENT ASSETS

Council was gifted infrastructure assets as a result of new subdivisions constructed by developers in 2006/07.

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.

The values for these assets were calculated based on current replacement cost adjusted for depreciation to date as follows:

New Road Assets Recognised -	\$ 6,641,940
New Footpath Assets Recognised -	\$ 838,672
Revenue Recognised -	\$ 7,480,612

### 9D. REVALUATION OF INFRASTRUCTURE ASSETS

During the reporting year, the City carried out fair value management valuations for the Buildings, Roads, Drainage and Footpaths asset classes. The valuations arrived at, reflect the future economic benefit remaining in the assets and were calculated on the basis of written down current replacement cost as at 30 June 2007. The following table shows the impact of these revaluations on the Asset Revaluation Reserve:

Asset Revaluation Reserve Reconciliation	Land	Building	Roads	Drainage	Footpaths	Total
Opening Balance 1 July 2006	53,578,778	9,681,959	0	0	0	<b>63,260,737</b>
Revaluation Increment/ (Decrement)	0	3,548,808	74,288,481	83,866,406	18,531,791	<b>180,235,486</b>
Closing Balance 30 June 2007	53,578,778	13,230,767	74,288,481	83,866,406	18,531,791	<b>243,496,223</b>



## NOTES TO THE ACCOUNTS

### 10. RESERVES

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>CASH BACKED RESERVES</b>	\$	\$	\$
<b>Leave Liability</b>			
Opening Balance	2,526,938	2,526,935	1,631,800
Transfer from Accumulated Surplus - Interest	200,193	139,081	595,138
Transfer from Accumulated Surplus	108,243	100,000	300,000
Transfer to Accumulated Surplus	-	(50,000)	-
	<b>2,835,373</b>	<b>2,716,016</b>	<b>2,526,938</b>

The purpose for this Reserve is to provide cash-backing for all annual and long service leave entitlements. Transfers to this Reserve are based on the leave liability at each year end.

#### Plant & Vehicle Replacement

Opening Balance	2,717,820	2,717,820	2,473,817
Transfer from Accumulated Surplus - Interest	217,229	117,387	133,000
Transfer from Accumulated Surplus	1,425,292	1,351,900	1,287,500
Transfer to Accumulated Surplus	(1,185,768)	(1,820,600)	(1,176,496)
	<b>3,174,572</b>	<b>2,366,507</b>	<b>2,717,820</b>

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.

#### Computer Replacement

Opening Balance	991,730	991,730	720,402
Transfer from Accumulated Surplus - Interest	78,472	50,319	39,350
Transfer from Accumulated Surplus	422,300	422,300	410,000
Transfer to Accumulated Surplus	(307,455)	(509,933)	(178,022)
	<b>1,185,046</b>	<b>954,416</b>	<b>991,730</b>

This Reserve Fund was set up to provide for the upgrading/ replacement of Council's computer hardware and software depreciated over five years. 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	2,113,262	2,113,262	1,792,976
Transfer from Accumulated Surplus - Interest	167,215	117,370	120,176
Transfer from Accumulated Surplus	3,206,149	1,600,000	600,000
Transfer to Accumulated Surplus	(2,144,363)	(2,949,959)	(399,890)
	<b>3,342,263</b>	<b>880,673</b>	<b>2,113,262</b>

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.

## NOTES TO THE ACCOUNTS

### 10. RESERVES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
<b>Waste &amp; Recycling</b>	\$	\$	\$
Opening Balance	8,231,908	8,231,908	7,393,953
Transfer from Accumulated Surplus - Interest	651,364	368,882	325,540
Transfer from Accumulated Surplus	400,000	400,000	600,000
Transfer to Accumulated Surplus	(2,035,245)	(4,809,372)	(87,585)
	<b>7,248,026</b>	<b>4,191,418</b>	<b>8,231,908</b>

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	3,358,134	3,358,134	2,405,365
Transfer from Accumulated Surplus - Interest	265,718	179,928	3,230
Transfer from Accumulated Surplus	552,727	-	1,755,455
Transfer to Accumulated Surplus	(1,779,404)	(1,510,524)	(805,916)
	<b>2,397,175</b>	<b>2,027,538</b>	<b>3,358,134</b>

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

#### Roads & Drainage Infrastructure

Opening Balance	2,487,666	2,487,666	2,757,665
Transfer from Accumulated Surplus - Interest	196,841	116,693	83,950
Transfer from Accumulated Surplus	450,000	450,000	350,000
Transfer to Accumulated Surplus	(871,348)	(2,129,217)	(703,949)
	<b>2,263,159</b>	<b>925,142</b>	<b>2,487,666</b>

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	248,289	248,289	214,039
Transfer from Accumulated Surplus - Interest	19,646	13,756	11,100
Transfer from Accumulated Surplus	60,000	60,000	60,000
Transfer to Accumulated Surplus	(37,397)	(47,922)	(36,850)
	<b>290,538</b>	<b>274,123</b>	<b>248,289</b>

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.



# NOTES TO THE ACCOUNTS 10. RESERVES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>Mobile Rubbish Bins</b>			
Opening Balance	1,005,147	1,005,147	950,707
Transfer from Accumulated Surplus - Interest	79,534	57,796	54,440
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	<b>1,084,681</b>	<b>1,062,943</b>	<b>1,005,147</b>

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 & Recreation Facilities

Opening Balance	7,366,266	7,315,600	6,296,729
Transfer from Accumulated Surplus - Interest	582,868	239,606	421,901
Transfer from Accumulated Surplus	2,670,000	2,670,000	3,205,776
Transfer to Accumulated Surplus	(5,780,717)	(9,343,439)	(2,558,139)
	<b>4,838,417</b>	<b>881,767</b>	<b>7,366,266</b>

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.

## Youth Advisory Council Canberra Trip

Opening Balance	7,865	7,865	7,371
Transfer from Accumulated Surplus - Interest	378	-	494
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(8,243)	-	-
	<b>-</b>	<b>7,865</b>	<b>7,865</b>

A management review of Reserve Funds has determined that this Reserve should be closed, as it is more practical to allow funding within the Municipal Budget when the need arises (every 2 years). The balance of this Reserve was transferred to the Leave Liability Reserve.

## Community Bus

Opening Balance	70,027	70,027	65,628
Transfer from Accumulated Surplus - Interest	3,364	3,774	4,399
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(73,392)	-	-
	<b>-</b>	<b>73,801</b>	<b>70,027</b>

A management review of Reserve Funds has determined that this Reserve should be closed, as the Plant & Vehicle Replacement Reserve sufficiently caters for this Reserve's purpose. The balance of this Reserve was transferred to the Plant & Vehicle Reserve.

# NOTES TO THE ACCOUNTS 10. RESERVES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>Workers Compensation</b>			
Opening Balance	165,718	165,718	155,308
Transfer from Accumulated Surplus - Interest	13,113	9,692	10,410
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	<b>178,831</b>	<b>175,410</b>	<b>165,718</b>

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	78,436	78,436	82,809
Transfer from Accumulated Surplus - Interest	6,206	3,587	3,770
Transfer from Accumulated Surplus	20,000	20,000	20,000
Transfer to Accumulated Surplus	(4,395)	(36,434)	(28,143)
	<b>100,247</b>	<b>65,589</b>	<b>78,436</b>

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.

## Development Contribution Plans

Opening Balance	4,898,205	4,644,681	3,223,894
Transfer from Accumulated Surplus - Interest	391,705	223,716	226,813
Transfer from Accumulated Surplus	3,641,000	-	1,906,024
Transfer to Accumulated Surplus	(2,934,593)	-	(458,527)
	<b>5,996,318</b>	<b>4,868,397</b>	<b>4,898,205</b>

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	36,440	36,440	34,151
Transfer from Accumulated Surplus - Interest	2,883	2,073	2,289
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(2,340)	(4,000)	-
	<b>36,984</b>	<b>34,513</b>	<b>36,440</b>

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.



# NOTES TO THE ACCOUNTS 10. RESERVES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>Aged and Disabled Vehicles</b>			
Opening Balance	115,731	115,731	147,870
Transfer from Accumulated Surplus - Interest	9,157	6,708	7,861
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	(40,000)
	<b>124,889</b>	<b>122,439</b>	<b>115,731</b>

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	28,067	28,067	26,304
Transfer from Accumulated Surplus - Interest	2,221	1,595	1,763
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	<b>30,288</b>	<b>29,662</b>	<b>28,067</b>

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	518,413	508,413	512,702
Transfer from Accumulated Surplus - Interest	41,017	33,815	34,902
Transfer from Accumulated Surplus	10,000	-	73,000
Transfer to Accumulated Surplus	(38,038)	-	(102,191)
	<b>531,392</b>	<b>542,228</b>	<b>518,413</b>

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.

## Bibra Lake Nutrient Management

Opening Balance	109,305	109,305	79,009
Transfer from Accumulated Surplus - Interest	8,649	6,244	5,296
Transfer from Accumulated Surplus	25,000	25,000	25,000
Transfer to Accumulated Surplus	-	(10,000)	-
	<b>142,954</b>	<b>130,549</b>	<b>109,305</b>

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.

# NOTES TO THE ACCOUNTS 10. RESERVES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>Contaminated Sites</b>			
Opening Balance	200,000	200,000	-
Transfer from Accumulated Surplus - Interest	15,825	11,500	-
Transfer from Accumulated Surplus	200,000	200,000	200,000
Transfer to Accumulated Surplus	-	-	-
	<b>415,825</b>	<b>411,500</b>	<b>200,000</b>

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	80,000	80,000	-
Transfer from Accumulated Surplus - Interest	6,330	4,600	-
Transfer from Accumulated Surplus	80,000	80,000	80,000
Transfer to Accumulated Surplus	-	-	-
	<b>166,330</b>	<b>164,600</b>	<b>80,000</b>

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	-	-	-
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	2,500	2,500	-
Transfer to Accumulated Surplus	-	-	-
	<b>2,500</b>	<b>2,500</b>	

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.

## SUMMARY CASH BACKED RESERVES

Opening Balance	37,355,367	37,041,174	30,972,500
Transfer from Accumulated Surplus - Interest	2,959,930	1,708,122	2,085,820
Transfer from Accumulated Surplus	13,273,211	7,381,700	10,872,755
Transfer to Accumulated Surplus	(17,202,699)	(23,221,400)	(6,575,707)
<b>TOTAL CASH BACKED RESERVES</b>	<b>36,385,808</b>	<b>22,909,596</b>	<b>37,355,367</b>

## RESERVES OTHER

### Asset Revaluation Reserve

Opening Balance	63,260,737	39,818,381	39,818,381
Revaluation increments made during the year	180,235,486	-	23,442,356
<b>TOTAL RESERVES OTHER</b>	<b>243,496,222</b>	<b>39,818,381</b>	<b>63,260,737</b>

## TOTAL RESERVES

	<b>279,882,030</b>	<b>62,727,977</b>	<b>100,616,103</b>
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## NOTES TO THE ACCOUNTS

### 11. 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 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 2006/07	Actual 2005/06
	\$	\$
Contributory	300,501	269,962
S.G. Occupational	1,500,236	1,408,006
	<b>1,800,736</b>	<b>1,677,968</b>

## 12. CAPITAL & LEASING COMMITMENTS

### Capital Commitments

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

	\$
Building and Construction Services - Cockburn Youth Centre	5,176,426
Building and Construction Services - Memorial Hall	2,005,419
Construction of Cell 6 - Henderson Landfill Site	1,902,841
Building and Construction Services - Alternation - Northern End of Administration Building	669,452
Supply of new heavy vehicles - Road Construction, Park Construction	528,846
Architectural Services - Cockburn Youth Centre	232,125
Supply of Workstations and Office Furniture - Administration Building	212,729
Supply of Computer Software - Development Applications	203,691
Project Management Services - Hammond Rd Sport/Recreation Facilities	120,000
Supply of Mobile Garbage Bins	76,189
Supply and Installation of Street Lighting - Berrigan Drive	63,001
	<b>11,190,719</b>

### Leasing Commitments

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

	Actual 2006/07	Actual 2005/06
<b>Payable:</b>	\$	\$
Not later than 1 year	81,902	45,953
Later than 1 year but not later than 2 years	62,568	14,205
Later than 2 years but not later than 5 years	38,083	12,258
	<b>182,553</b>	<b>72,416</b>

## NOTES TO THE ACCOUNTS

### 13. NOTES TO CASH FLOW STATEMENT

	Actual 2006/07 \$	Budget 2006/07 \$	Actual 2005/06 \$
<b>13a</b>			
<b>Reconciliation of Net Cash Used in Operating Activities to Change in Net Assets Resulting from Operations.</b>			
Change in net assets resulting from Operating Activities	25,768,263	12,687,866	56,014,366
<b>Add (Less) non-cash items:</b>			
Depreciation	6,974,856	6,082,506	6,015,022
(Profit)/Loss on Sale of Assets	(1,078,500)	(480,248)	(152,896)
Amounts set aside to provisions	9,848	-	272,100
Recognition of infrastructure assets previously not recognised	(9,896,606)	-	(42,409,724)
<b>Less: Government Grants &amp; Subsidies</b>	<b>(3,666,823)</b>	<b>(3,669,978)</b>	<b>(1,532,553)</b>
<b>Change in Assets and Liabilities:</b>			
[Increase]/Decrease in Rates Debtors & Deferred Rates	87,815	-	244,452
(Increase)/Decrease in Sundry Debtors	(721,175)	-	(1,255,733)
(Increase)/Decrease in Stock on Hand	11,864	-	(16,378)
Increase/(Decrease) in Creditors & Accruals	1,705,206	-	(324,691)
(Increase)/Decrease in Rubbish Debtors	22,097	-	27,862
Increase/(Decrease) on Income Received in Advance	(335,836)	-	357,973
(Increase)/Decrease in Prepayments	(39,720)	-	35,730
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>18,841,289</b>	<b>14,620,146</b>	<b>17,275,530</b>

### 13b

#### 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 items in the Balance Sheet as follows:-

Cash at Bank	1,621,702	98,136	1,701,843
Investments	54,617,320	30,890,738	52,112,814
	<b>56,239,022</b>	<b>30,988,874</b>	<b>53,814,657</b>



## NOTES TO THE ACCOUNTS

### 14. INTERESTS IN JOINT VENTURE ENTITIES (UNAUDITED)

#### South West Group

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

	2006/07	2005/06
Amount of interest	\$62,835	\$50,034
Cost/profit sharing ratio	21.12%	21.30%

#### 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:

	2006/07	2005/06
Amount of interest	\$137,847	\$69,343
Cost/profit sharing ratio	18.75%	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 (& for profit sharing) 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 last review occurring in the 2003/04 year.

Each project participant develops equity in the project via the payments made towards capital and its' share of profits & losses (calculated in accordance with the ratio of capital contribution).

The Council's net interest in the RRRC joint venture as at 30 June was:

	2006/07	2005/06
Net Amount of Interest	\$1,345,134	(\$1,248,447)
Profit sharing ratio	24.90%	24.78%

Further information is provided in regard to the lending facility for the RRRC project under note 23. Contingent Liabilities.

## NOTES TO THE ACCOUNTS

### 14. INTERESTS IN JOINT VENTURE ENTITIES (UNAUDITED) CONTINUED

#### Summary of Aggregate Interests in above Joint Venture Entities

	Actual 2006/07 \$	Actual 2005/06 \$
Current assets	1,192,354	776,384
Non-current assets	14,442,847	9,705,956
Current liabilities	(1,528,653)	(1,968,723)
Non-current liabilities	(12,560,732)	(9,642,687)
<b>Net assets</b>	<b>1,545,816</b>	<b>(1,129,070)</b>
Revenues	4,916,288	3,811,070
Expenses	(5,603,449)	(5,156,866)
<b>Net Profit/(Loss)</b>	<b>(687,162)</b>	<b>(1,345,796)</b>

## 15. FEES AND CHARGES

	Actual 2006/07 \$	Budget 2006/07 \$	Actual 2005/06 \$
<b>General Purpose Funding</b>			
Administration Fees	158,700	150,000	145,449
Rate Search Fees	46,919	45,000	61,631
Admin Fee - FESA	74,090	72,000	72,470
Other Fees & Charges	45	200	80
	<b>279,754</b>	<b>267,200</b>	<b>279,630</b>
<b>Governance</b>			
Administration Service Charges	23,490	20,900	24,175
Advertising Cockburn Soundings	3,200	3,000	807
Other Fees & Charges	4,308	2,250	2,294
	<b>30,997</b>	<b>26,150</b>	<b>27,276</b>
<b>Law, Order and Public Safety</b>			
Dog Registration Fees	89,997	97,000	98,461
Licences	6,675	8,000	6,921
Impounding Fees	26,956	21,800	18,152
Fines, Infringements & Penalties	79,896	53,100	80,991
Security Patrol Levy	1,896,034	1,860,196	1,773,597
Other Fees & Charges	3,288	3,000	3,725
	<b>2,102,846</b>	<b>2,043,096</b>	<b>1,981,847</b>



NOTES TO THE ACCOUNTS  
15. FEES AND CHARGES CONTINUED

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>Health</b>			
Administration, Application & Inspection Fees	11,545	13,300	13,003
Administration Fees & Licences	75,293	58,000	68,785
Fines & Penalties	38,805	36,000	40,678
Sundry Sales	2,196	2,260	1,438
Lease / Rental Income	-	850	444
Other Fees & Charges	2,033	2,500	685
	<b>129,872</b>	<b>112,910</b>	<b>125,032</b>
<b>Education and Welfare</b>			
Client Fees	400,946	328,061	348,479
Lease / Rental Income	45,162	51,895	35,939
Other Fees & Charges	22,447	36,250	20,685
	<b>468,555</b>	<b>416,206</b>	<b>405,103</b>
<b>Community Amenities</b>			
Planning Fees & Charges	818,802	672,300	749,685
Rubbish Removal Charges	7,483,702	7,420,000	6,103,875
Rubbish Tipping Fees	6,875,154	6,480,000	6,356,569
Other Fees & Charges	288,329	269,100	18,970
	<b>15,465,987</b>	<b>14,841,400</b>	<b>13,229,099</b>
<b>Recreation and Culture</b>			
Client Fees	18,212	14,000	15,462
Hall Hires	160,933	144,500	172,658
Reserve Hires	125,968	73,200	92,188
Leasehold Rentals	34,145	41,950	28,932
Recreation Centre Charges	1,792,675	1,686,798	1,528,124
Other Fees & Charges	26,748	43,600	30,497
	<b>2,158,681</b>	<b>2,004,048</b>	<b>1,867,861</b>
<b>Transport</b>			
Reinstatements Revenue	3,920	10,000	527
Supervision Fees	342,650	200,000	245,302
Other Fees & Charges	9,911	12,500	23,810
	<b>356,481</b>	<b>222,500</b>	<b>269,639</b>
<b>Economic Services</b>			
Building Licences	1,480,897	1,059,700	1,211,480
Caravan Park Leases / Licences	294,409	282,300	276,543
Assessment & Application Fees	17,081	12,600	13,196
Swimming Pool Inspection Fees	50,913	55,880	46,827
Fines & Penalties	2,614	1,400	1,329
Other Fees & Charges	24,505	23,000	23,521
	<b>1,870,418</b>	<b>1,434,880</b>	<b>1,572,894</b>
<b>Other Property and Services</b>			
Private Works Revenue	95,453	20,909	21,896
Lease / Rental Income	47,871	52,500	34,608
Other Fees & Charges	16,227	14,000	8,357
	<b>159,552</b>	<b>87,409</b>	<b>64,861</b>
<b>TOTAL</b>	<b>23,023,143</b>	<b>21,455,799</b>	<b>19,823,241</b>

NOTES TO THE ACCOUNTS  
16. OTHER EXPENSES

	Actual 2006/07	Budget 2006/07	Actual 2005/06
	\$	\$	\$
<b>a. Councillor's Remuneration</b>			
The following fees, expenses and allowances were paid to councillors and the mayor:			
Meeting Fees	77,000	100,000	77,000
Vehicle Allowances	15,403	22,000	12,155
Mayoral/Deputy Mayoral Allowances	68,000	75,000	68,000
Communication Expenses	17,106	39,000	45,422
	<b>177,509</b>	<b>236,000</b>	<b>202,577</b>
<b>b. Auditors Remuneration</b>			
Audit Services	12,681	18,000	17,903
<b>c. Rental - Operating Leases</b>	84,230	103,155	96,340

17. FINANCIAL RATIOS

	Actual 2006/07	Actual 2005/06	Actual 2004/05	Actual 2003/04	Actual 2002/03
CURRENT Ratio (The <b>Higher</b> The Better)	2.52:1	2.97:1	2.49:1	2.00:1	2.02:1
DEBT Ratio (The <b>Lower</b> The Better)	2.32%	2.93%	3.40%	3.79%	3.13%
DEBT SERVICE Ratio (The <b>Lower</b> The Better)	n/a	n/a	n/a	n/a	n/a
RATE COVERAGE Ratio	32.06%	22.23%	39.57%	38.95%	40.30%
OUTSTANDING RATES Ratio (The <b>Lower</b> The Better)	0.27%	0.74%	1.99%	4.80%	6.11%
GROSS DEBT TO REVENUE Ratio (The <b>Lower</b> The Better)	n/a	n/a	n/a	n/a	n/a
UNTIED CASH TO TRADE CREDITORS Ratio (The <b>Higher</b> The Better)	1.99:1	3.17:1	3.02:1	2.59:1	2.24:1
GROSS DEBT TO ECONOMICALLY REALISABLE ASSETS Ratio (The <b>Lower</b> The Better)	n/a	n/a	n/a	n/a	n/a

The above ratio's 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.



## NOTES TO THE ACCOUNTS

### 17. FINANCIAL RATIOS

#### 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).

## 18. 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 2006/07	Budget 2006/07	Actual 2005/06
	%	\$	\$	\$
General Rates	5	720,528	610,000	633,043

#### Incentives

Council provides a number of incentives to encourage ratepayers to pay their rates within the 35 day period. Those ratepayers who have their name drawn from a barrel are invited to the council chambers for the major draw. The Mayor and the sponsors of the draw pull names out of the barrel to establish which ratepayers have won which prizes.

#### Prizes Offered As Early Payment Incentive:

City of Cockburn – 4 Cash prizes of \$1000 each.

Gateways Shopping Centre - 4 prizes of reimbursement of rates to the value of \$600 drawn as 4 weekly prizes.

Best Western Hotels – Two nights accommodation for two at the Best Western Hotel in Pemberton.

Adventure World – 8 General admission passes.

Trade Winds Hotel - Bed and Breakfast for 2.

Stewarts Pest Control – Pest Management valued at \$1200.

Aspen Parks – One night's accommodation in a family cabin.

South Lakes Leisure Centre – Two prizes of a single fitness club membership for 3 months.

Bicton Travel – 1 prize of \$200 Gift Voucher.

## NOTES TO THE ACCOUNTS

### 19. INTEREST CHARGES, ADMINISTRATION FEES AND INSTALMENTS

	Interest Rate	Admin Fee	Actual 2006/07	Budget 2006/07	Actual 2005/06
	%	\$	\$	\$	\$
Administration Fee		6.00	158,700	150,000	145,449
Penalty Interest	11.00		110,946	105,000	109,668
Instalment Interest	2.50		61,339	80,000	88,814

#### 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 date resulted in the forfeiture of the instalment payment option.

Ratepayers had the choice to pay for their rates by either :

(a) Pay within 35 days & receive a 5% discount on the rates due 12/9/06.

(b) Pay in two instalments due: 1. 12/09/06  
2. 16/01/07

(c) Pay in four instalments due: 1. 12/09/06  
2. 14/11/06  
3. 16/01/07  
4. 20/03/07

#### Administration Fees

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

#### Special Payment Arrangements

Ratepayers who may be unable to pay their account in full or according to the instalment plans offered can make special payment arrangements to extinguish their debt. A separate administration fee of \$20.00 for alternative arrangements is charged. Penalty interest of 11% is applied to the outstanding balance until the amount is paid in full.

#### Instalment Interest

The Local Government Act allows for interest to be charged on overdue amounts. The Council charged interest at the rate of 2.5% on outstanding rates for the year under review. This charge covers the opportunity cost of lost interest 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 is levied where payment in full or the first instalment is not received within thirty-five days of the issue of the rate notice. The current rate is 11% pa charged on a daily basis.

#### Penalty Interest - FESA

The Minister for Emergency Services deemed the penalty interest rate for 2006/07 to be 11% on outstanding balances. Interest is levied where payment in full or the first instalment is not received with thirty-five days of the issue of the rate notice.



## NOTES TO THE ACCOUNTS

### 20. PRESCRIBED SERVICE CHARGES

#### 20a. 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) Regulation

Amount of each service charge:	\$55.50
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Total amount of revenue collected from service charge for 2006/07:	\$1,896,034
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<b>Add :</b> Amount of funds b/f from previous year for unspent security charges	\$152,958
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<b>Less :</b> 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:	\$1,753,004
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Amount of funds un-applied as at 30 June 2007 (carried forward into the following year to meet future service costs).	\$295,988
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#### 20b. 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

##### 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:	\$229.00
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# NOTES TO THE ACCOUNTS

## 21. STATEMENT OF RATING INFORMATION FOR YEAR ENDED 30 JUNE 2007

PARTICULARS	NON-MINIMUM					MINIMUM					TOTALS			
	Qty	Rateable value	Rate in \$	Yield	Budget	Qty	Rateable Value	Amount	Yield	Budget	Qty	Rateable Value	Yield	% of
		\$	cents	\$	2006-07		\$	\$	\$	2006-07	No.	\$	\$	Ratebase
<b>GRV</b>														
Residential - Improved	16,790	171,170,887	6.1436	10,516,055	10,516,038	9,964	67,744,624	480	4,782,720	4,782,720	26,754	238,915,511	15,298,775	61.27%
Residential - Vacant	1,527	12,552,550	9.7514	1,224,049	1,224,049	1,122	4,719,128	480	538,560	538,560	2,649	17,271,678	1,762,609	7.06%
Commercial - Improved	212	28,842,069	6.2606	1,805,687	1,805,687	72	479,534	728	52,416	52,416	284	29,321,603	1,858,103	7.44%
Commercial - Vacant	18	377,300	9.9371	37,493	37,493	6	11,120	728	4,368	4,368	24	388,420	41,861	0.17%
Industrial - Improved	677	62,522,054	6.2606	3,914,256	3,914,256	250	2,132,597	728	182,000	182,000	927	64,654,651	4,096,256	16.41%
Industrial- Vacant	156	3,535,900	9.9371	351,366	351,366	57	361,625	728	41,496	41,496	213	3,897,525	392,862	1.57%
UFL Improved Residential	1	15,392	5.5528	855	855		0	480	0	0	1	15,392	855	0.00%
UFL Vacant Residential	2	103,000	8.7761	9,039	9,039		0	480	0	0	2	103,000	9,039	0.04%
<b>Total GRV</b>	<b>19,383</b>	<b>279,119,152</b>		<b>17,858,799</b>	<b>17,858,783</b>	<b>11,471</b>	<b>75,448,628</b>		<b>5,601,560</b>	<b>5,601,560</b>	<b>30,854</b>	<b>354,567,780</b>	<b>23,460,359</b>	<b>93.96%</b>
<b>UV</b>														
UFL - Rural General	27	22,165,000	0.2081	46,125	46,125	15	2,669,000	480	7,200	7,200	42	24,834,000	53,325	1.00%
Resource	649	258,034,000	0.2312	596,575	596,575	3	13,065	480	1,440	1,440	652	258,047,065	598,015	2.40%
Rural General	436	326,529,000	0.2312	754,935	754,935	210	34,790,841	480	100,800	100,800	646	361,319,841	855,735	3.43%
<b>Total UV</b>	<b>1,112</b>	<b>606,728,000</b>		<b>1,397,635</b>	<b>1,397,635</b>	<b>228</b>	<b>37,472,906</b>		<b>109,440</b>	<b>109,440</b>	<b>1,340</b>	<b>644,200,906</b>	<b>1,507,075</b>	<b>6.82%</b>
<b>Total Rates Levied</b>													<b>24,967,434</b>	
<b>MISC</b>														
Interim Rates				1,029,220	427,582								1,029,220	
Less: Rates Written Off				0	0								0	
Less: Discount Allowed				-720,528	-610,000								-720,528	
Rate Interest				61,339	80,000								61,339	
ESL Penalty				14,948	15,000								14,948	
Rate Penalty				95,998	90,000								95,998	
<b>TOTAL RATES</b>	<b>20,495</b>	<b>885,847,152</b>		<b>19,737,410</b>	<b>19,259,000</b>	<b>11,699</b>	<b>112,921,534</b>		<b>5,711,000</b>	<b>5,711,000</b>	<b>32,194</b>	<b>998,768,686</b>	<b>25,448,411</b>	<b>100%</b>



## NOTES TO THE ACCOUNTS

### 22. 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 2006/07 budget was **\$5,290,945**.

The net current asset position balance (adjusted for Restricted assets) shown in the audited financial report as at 30 June 2006 was **\$7,764,962**.

### 23. 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 2003/04 year to 25.24% (previously 23.44%). This was due to an increase in the Council's population ratio relative to the other project participants.

As at 30th June 2007, the balance outstanding against the lending facility stood at \$51,696,134, with Council's share of this liability being **\$13,048,104** (using the ratio of 25.24%).

Council's annual contribution towards the repayment of interest and principal on the lending facility is currently around \$1.2 million (\$50 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 2007, the balance outstanding against this facility stood at \$1,800,000 with Council's share of this liability being **\$337,500** (using the current cost/profit sharing ratio of 18.75%).

## NOTES TO THE ACCOUNTS

### 24. FINANCIAL INSTRUMENTS

#### (a) Interest Rate Risk Exposure

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 2007.

2006/07	Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturity			Non-Interest Bearing \$	Total \$
			Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$		
<b>Financial Assets</b>							
Cash	5.50	1,612,382				9,320	1,621,702
Direct Securities	7.49	16,110,595					16,110,595
Managed Cash Funds	5.87	29,383,295					29,383,295
Managed Balance Fund	15.78	9,123,430					9,123,430
Receivables	5.40	415,228				4,226,548	4,641,776
<b>Total</b>		<b>56,644,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,235,868</b>	<b>60,880,798</b>
<b>Financial Liabilities</b>							
Accounts Payable						4,807,360	4,807,360
Deposits/Bonds	5.55		470,523			3,942,920	4,413,443
Employee Entitlements						3,820,134	3,820,134
<b>Total</b>		<b>-</b>	<b>470,523</b>	<b>-</b>	<b>-</b>	<b>12,570,414</b>	<b>13,040,937</b>

The following table provides comparatives as at 30th June 2006:

2005/06	Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturity			Non-Interest Bearing \$	Total \$
			Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$		
<b>Financial Assets</b>							
Cash	4.25	1,693,543				8,300	1,701,843
Direct Securities	6.91	11,500,000					11,500,000
Managed Cash Funds	5.90	36,307,239					36,307,239
Managed Balance Fund	7.64	4,305,575					4,305,575
Receivables	5.84	405,301				3,585,492	3,990,793
<b>Total</b>		<b>54,211,658</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,593,792</b>	<b>57,805,450</b>
<b>Financial Liabilities</b>							
Accounts Payable						3,437,990	3,437,990
Deposits/Bonds	6.50		576,389			2,508,707	3,085,096
Employee Entitlements						3,810,285	3,810,285
<b>Total</b>		<b>-</b>	<b>576,389</b>	<b>-</b>	<b>-</b>	<b>9,756,982</b>	<b>10,333,371</b>



## NOTES TO THE ACCOUNTS

### 24. FINANCIAL INSTRUMENTS CONTINUED

#### (b) Credit Risk Exposure

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to the City. The City does not have significant credit risk exposure to any single debtor or any group of debtors having similar characteristics. Policies and procedures are in place limiting credit risk exposure to only creditworthy debtors. Sufficient collateral or other security (where appropriate) is obtained as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements represents the City's maximum exposure to credit risk with the exception of rates debtors.

The credit risk exposure in relation to rates debtors is zero because of the provisions of the Local Government Act 1995 giving the City the power to seize rateable land upon which payment of rates is more than 3 years in arrears.

The City is not exposed to any significant industry concentration of credit risk in respect to receivables. Whilst rates debtors are geographically concentrated to within the City, this is not considered to represent any credit risk.

#### (c) Net Fair Value

Since June 30 2007, volatility in the credit market has had an impact, although not material in terms of total investments held by the City, on the net fair value of a \$2m investment in Helium. Helium is a mortgage backed security that has been directly affected by the US credit markets correction and Oakvale Capital (Council's independent financial advisors), have estimated its' net fair value at \$1.3m as at 30 September 2007. Helium is due to mature in 2010 and Council would only realise a diminished value, were it to redeem the investment in the secondary market. A review by Standards & Poors of similarly structured investment products (including Helium) has seen Helium maintain its' high A credit rating and there have been no credit defaults to date within its' structure.

The investment was purchased as part of Council's long term investment strategy so as to earn higher interest. It was not purchased to fund the day to day working capital requirements of Council. Council is still receiving interest income from Helium investment and has no need for, or intention of redeeming the investment until maturity.

## 25. 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 has commenced the following major land transaction for the year :

#### Development & Sale of Lot 5 Corner 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:

#### 25a. Past Transactions

	Prior Year Actuals	Actual 2006/07	Whole of life Total
<b>Receipts</b>			
Income from Sales	-	-	-
<b>Payments</b>			
Development Expenses	-	13,730	13,730
Sales Expenses	-	-	-
<b>Cash Position</b>	-	-13,730	-13,730
Value of undeveloped land ( revaluation )			1,600,000

#### 25b. Expected Future Cash Flows

	2007/08	2008/09
<b>Cash Outflows</b>		
Development/Selling Costs	1,113,000	1,325,000
<b>Cash Inflows</b>		
Sale Proceeds	6,007,000	7,380,000
<b>Net Cash Flows</b>	4,894,000	6,055,000

## NOTES TO THE ACCOUNTS

### 26A. 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 2006/07	Actual 2005/06
Annual Salary between:	No.	No.
\$100,000 and \$109,999	-	2
\$110,000 and \$119,999	2	2
\$120,000 and \$129,999	1	-
\$130,000 and \$139,999	1	-
\$180,000 and \$189,999	-	1
\$210,000 and \$219,999	1	-
<b>Total</b>	<b>5</b>	<b>5</b>

#### 26b. Number of Employees

	Actual 2006/07	Actual 2005/06
	No.	No.
Number of full-time equivalent (FTE) employees as at balance date:	317	308

## 27. ECONOMIC DEPENDENCY

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

	Actual 2006/07	Actual 2005/06
	\$	\$
The total of grant revenue from government sources:	9,742,371	8,182,635



## NOTES TO THE ACCOUNTS

### 28. OPENING & CLOSING FUNDS USED IN THE RATE SETTING STATEMENT

#### 28a. Determination of Opening Funds

	Actual 2006/07 \$
<b>Current Assets</b>	
Cash Assets	53,814,657
Receivables	3,585,492
Inventories	58,930
	<b>57,459,078</b>
<b>Current Liabilities</b>	
Payables	(3,437,990)
Annual Leave Provision	(1,951,922)
Long Service Leave Provision	(1,075,048)
	(6,464,961)
<b>Net Current Assets</b>	<b>50,994,118</b>
<b>Less:</b>	
Restricted Cash - Reserve Funds	(37,355,367)
Restricted Cash - Deposits & Bonds	(3,085,096)
Committed Cash (unspent grants & contributions)	(5,315,631)
	5,238,024
<b>Add:</b>	
Leave Provisions - cash-backed	2,526,938
<b>Opening Funds in Rate Setting Statement</b>	<b>7,764,962</b>

#### 28b. Determination of Closing Funds

	Actual 2006/07 \$
<b>Current Assets</b>	
Cash Assets	56,239,022
Receivables	4,226,548
Inventories	47,066
	<b>60,512,637</b>
<b>Current Liabilities</b>	
Payables	(4,807,360)
Accrued Annual Leave	(1,858,645)
Long Service Leave Provision	(1,244,456)
	(7,910,461)
<b>Net Current Assets</b>	<b>52,602,176</b>
<b>Less:</b>	
Restricted Cash - Reserve Funds	(36,385,808)
Restricted Cash - Deposits & Bonds	(4,413,443)
Committed Cash (unspent grants & contributions)	(6,925,001)
	4,877,925
<b>Add:</b>	
Leave Provisions - cash-backed	2,835,373
<b>Closing Funds in Rate Setting Statement</b>	<b>7,713,298</b>

## NOTES



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