

CITY OF COCKBURN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	48

The City of Cockburn conducts the operations of a local government with the following community vision:

Cockburn the best place to be.

Principal place of business:
Spearwood, WA.

**CITY OF COCKBURN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the City of Cockburn has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

day of

2023

Chief Executive Officer

Daniel Simms

**CITY OF COCKBURN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),26	118,612,440	118,824,126	112,884,886
Grants, subsidies and contributions	2(a)	16,662,701	11,863,320	15,305,806
Fees and charges	2(a)	40,111,409	40,972,049	40,182,411
Interest revenue	2(a)	6,885,421	6,425,280	2,247,972
		182,271,971	178,084,775	170,621,075
Expenses				
Employee costs	2(b)	(67,734,209)	(69,593,027)	(64,234,698)
Materials and contracts		(42,462,847)	(45,053,895)	(36,755,548)
Utility charges		(6,119,968)	(6,209,122)	(5,937,681)
Depreciation		(41,632,262)	(42,461,606)	(35,104,328)
Finance costs	2(b)	(1,553,169)	(500,921)	(1,290,813)
Insurance		(3,483,761)	(2,275,300)	(2,999,469)
Other expenditure	2(b)	(14,104,349)	(15,027,726)	(13,740,358)
		(177,090,565)	(181,121,597)	(160,062,895)
		5,181,406	(3,036,822)	10,558,180
Capital grants, subsidies and contributions	2(a)	33,832,352	20,765,807	39,525,700
Profit on asset disposals		458,884	1,476,042	1,744,761
Loss on asset disposals		0	0	(17,753)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	7,372	0	7,993
Adjustment to borrowings	28(a)	(38,023)	0	0
		34,260,585	22,241,849	41,260,701
Net result for the period	25(b)	39,441,991	19,205,027	51,818,881
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	183,638,397	0	169,210,702
Total other comprehensive income for the period	17	183,638,397	0	169,210,702
Total comprehensive income for the period		223,080,388	19,205,027	221,029,583

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

**CITY OF COCKBURN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	13,592,531	20,777,520
Trade and other receivables	5	10,746,609	7,935,622
Other financial assets	4(a)	183,000,000	92,800,000
Inventories	6	27,313	49,805
Other assets	7	5,639,702	4,724,157
TOTAL CURRENT ASSETS		213,006,155	126,287,104
NON-CURRENT ASSETS			
Trade and other receivables	5	1,362,704	1,337,216
Other financial assets	4(b)	38,512,037	102,055,748
Property, plant and equipment	8	385,563,117	348,489,480
Infrastructure	9	1,257,205,920	1,098,860,378
Right-of-use assets	11(a)	503,232	105,540
TOTAL NON-CURRENT ASSETS		1,683,147,010	1,550,848,362
TOTAL ASSETS		1,896,153,165	1,677,135,466
CURRENT LIABILITIES			
Trade and other payables	12	20,009,067	19,478,364
Other liabilities	13	1,211,130	4,994,711
Lease liabilities	11(b)	100,625	114,651
Borrowings	14	2,500,000	3,934,065
Employee related provisions	15	9,313,188	9,186,433
TOTAL CURRENT LIABILITIES		33,134,010	37,708,224
NON-CURRENT LIABILITIES			
Trade and other payables	12	1,356,582	1,535,484
Other liabilities	13	15,407,476	13,698,876
Lease liabilities	11(b)	405,458	0
Borrowings	14	5,000,000	7,500,000
Employee related provisions	15	1,598,227	1,462,504
Other provisions	16	37,359,107	36,418,461
TOTAL NON-CURRENT LIABILITIES		61,126,850	60,615,325
TOTAL LIABILITIES		94,260,860	98,323,549
NET ASSETS		1,801,892,305	1,578,811,917
EQUITY			
Retained surplus		608,820,635	597,992,472
Reserve accounts	29	209,678,314	181,064,488
Revaluation surplus	17	983,393,355	799,754,957
TOTAL EQUITY		1,801,892,305	1,578,811,917

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

**CITY OF COCKBURN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		555,827,441	171,410,638	630,544,255	1,357,782,334
Comprehensive income for the period					
Net result for the period		51,818,881	0	0	51,818,881
Other comprehensive income for the period	17	0	0	169,210,702	169,210,702
Total comprehensive income for the period		51,818,881	0	169,210,702	221,029,583
Transfers from reserve accounts	29	42,263,801	(42,263,801)	0	0
Transfers to reserve accounts	29	(51,917,651)	51,917,651	0	0
Balance as at 30 June 2022		597,992,472	181,064,488	799,754,957	1,578,811,917
Comprehensive income for the period					
Net result for the period		39,441,991	0	0	39,441,991
Other comprehensive income for the period	17	0	0	183,638,397	183,638,397
Total comprehensive income for the period		39,441,991	0	183,638,397	223,080,388
Transfers from reserve accounts	29	24,202,020	(24,202,020)	0	0
Transfers to reserve accounts	29	(52,815,850)	52,815,850	0	0
Balance as at 30 June 2023		608,820,635	209,678,314	983,393,355	1,801,892,305

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

**CITY OF COCKBURN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		118,912,965	112,917,969
Grants, subsidies and contributions		14,227,446	16,350,957
Fees and charges		40,111,409	40,182,411
Interest revenue		6,885,421	2,247,972
Goods and services tax received		2,620,071	6,003,543
		182,757,312	177,702,852
Payments			
Employee costs		(67,481,493)	(64,569,931)
Materials and contracts		(42,098,651)	(28,605,215)
Utility charges		(6,119,968)	(5,937,681)
Finance costs		(1,553,169)	(1,290,813)
Insurance paid		(3,483,761)	(2,999,469)
Goods and services tax paid		(7,060,437)	(9,720,586)
Other expenditure		(14,104,349)	(13,740,358)
		(141,901,828)	(126,864,053)
Net cash provided by (used in) operating activities	18(b)	40,855,484	50,838,799
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(9,948,835)	(20,411,979)
Payments for construction of infrastructure		(28,933,138)	(37,215,766)
Capital grants, subsidies and contributions		19,879,068	21,747,829
Proceeds from (payment for) financial assets at amortised cost		(26,648,917)	3,741,380
Proceeds from sale of property, plant & equipment		1,721,548	3,138,541
Net cash provided by (used in) investing activities		(43,930,274)	(28,999,995)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(3,972,088)	(4,031,840)
Net receipts/(refund) of bonds		0	(1,417,033)
Payments for principal portion of lease liabilities	28(b)	(138,113)	(219,270)
Net cash provided by (used In) financing activities		(4,110,201)	(5,668,143)
Net increase (decrease) in cash held		(7,184,989)	16,170,661
Cash at beginning of year		20,777,520	4,606,858
Cash and cash equivalents at the end of the year	18(a)	13,592,531	20,777,520

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

**CITY OF COCKBURN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	26	117,997,674	118,200,000	112,300,843
Rates excluding general rates	26	614,766	624,000	584,043
Grants, subsidies and contributions		16,662,701	14,430,599	15,305,806
Fees and charges		40,111,409	36,770,902	40,182,411
Service charges		0	500,000	0
Interest revenue		6,885,421	2,225,280	2,247,972
Profit on asset disposals		458,884	22,648	1,744,761
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	7,372	0	7,993
Adjustment to borrowings	29(a)	(38,023)	0	0
		182,700,204	172,773,429	172,373,829
Expenditure from operating activities				
Employee costs		(67,734,209)	(68,383,007)	(64,234,698)
Materials and contracts		(42,462,847)	(42,414,060)	(36,755,548)
Utility charges		(6,119,968)	(6,100,264)	(5,937,681)
Depreciation		(41,632,262)	(37,563,705)	(35,104,328)
Finance costs		(1,553,169)	(500,939)	(1,290,813)
Insurance		(3,483,761)	(2,015,300)	(2,999,469)
Other expenditure		(14,104,349)	(11,465,513)	(13,740,358)
Loss on asset disposals		0	0	(17,753)
		(177,090,565)	(168,442,788)	(160,080,648)
Non-cash amounts excluded from operating activities	27(a)	43,963,510	37,541,057	27,913,163
Amount attributable to operating activities		49,573,149	41,871,698	40,206,344
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		33,832,352	11,827,584	39,525,700
Proceeds from disposal of assets		1,721,548	758,500	3,138,541
Distributions from investments in associates		0	0	3,741,380
		35,553,900	12,586,084	46,405,621
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(9,948,835)	(12,652,786)	(20,411,979)
Purchase and construction of infrastructure	9(a)	(44,595,022)	(38,211,210)	(45,214,065)
		(54,543,857)	(50,863,996)	(65,626,044)
Non-cash amounts excluded from investing activities	27(a)	0	(3,310,835)	0
Amount attributable to investing activities		(18,989,957)	(41,588,747)	(19,220,423)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	29	24,202,020	31,042,948	42,263,801
		24,202,020	31,042,948	42,263,801
Outflows from financing activities				
Repayment of borrowings	28(a)	(3,972,088)	(3,900,000)	(4,031,840)
Payments for principal portion of lease liabilities	28(b)	(138,113)	0	(219,270)
Transfers to reserve accounts	29	(52,713,249)	(34,565,000)	(51,917,651)
		(56,823,450)	(38,465,000)	(56,168,761)
Amount attributable to financing activities		(32,621,430)	(7,422,052)	(13,904,960)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(b)	11,825,165	7,500,000	8,588,183
Amount attributable to operating activities		49,573,149	41,871,698	40,206,344
Amount attributable to investing activities		(18,989,957)	(41,588,747)	(19,220,423)
Amount attributable to financing activities		(32,621,430)	(7,422,052)	(13,904,960)
Surplus or deficit after imposition of general rates	27(b)	9,786,927	360,899	15,669,144

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

**CITY OF COCKBURN
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	13
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	23
Note 13	Other Liabilities	24
Note 14	Borrowings	25
Note 15	Employee Related Provisions	26
Note 16	Other Provisions	27
Note 17	Revaluation Surplus	28
Note 18	Notes to the Statement of Cash Flows	29
Note 19	Contingent Liabilities	30
Note 20	Capital Commitments	30
Note 21	Related Party Transactions	31
Note 22	Financial Risk Management	32
Note 23	Events Occurring After the End of the Reporting Period	36
Note 24	Other Significant Accounting Policies	37
Note 25	Function and Activity	38
 Information required by legislation		
Note 26	Rating Information	40
Note 27	Determination of Surplus or Deficit	41
Note 28	Borrowing and Lease Liabilities	42
Note 29	Reserve Accounts	45

CITY OF COCKBURN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

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

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This standard will result in a terminology change for significant accounting policies

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	118,612,440	0	118,612,440
Grants, subsidies and contributions	2,435,255	0	0	14,227,446	16,662,701
Fees and charges	0	0	36,717,855	3,393,554	40,111,409
Interest revenue	0	0	231,627	6,653,794	6,885,421
Capital grants, subsidies and contributions	0	18,170,468	0	15,661,884	33,832,352
Total	2,435,255	18,170,468	155,561,922	39,936,678	216,104,323

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	112,884,886	0	112,884,886
Grants, subsidies and contributions	(1,045,151)	0	0	16,350,957	15,305,806
Fees and charges	0	0	35,844,670	4,337,741	40,182,411
Interest revenue	0	0	257,589	1,990,383	2,247,972
Capital grants, subsidies and contributions	9,779,572	21,747,829	0	7,998,299	39,525,700
Total	8,734,421	21,747,829	148,987,145	30,677,380	210,146,775

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Assets and services acquired below fair value		
Contributed assets	15,661,884	7,998,299
	<u>15,661,884</u>	<u>7,998,299</u>
Interest revenue		
Interest on reserve account funds	582,778	103,978
Other interest revenue	6,302,643	2,143,994
	<u>6,885,421</u>	<u>2,247,972</u>
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$210000	231,627	257,589
The 2023 original budget estimate in relation to: Charges on instalment plan was \$500000	489,259	474,363

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	84,300	70,000
- Other services – grant acquittals	8,951	23,208
	<u>93,251</u>	<u>93,208</u>
Employee Costs		
Employee benefit costs	66,505,598	63,263,441
Other employee costs	1,228,611	971,257
	<u>67,734,209</u>	<u>64,234,698</u>
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	382,623	537,173
Provisions: unwinding of discount	1,165,391	750,261
Lease liabilities	5,155	3,378
	<u>1,553,169</u>	<u>1,290,812</u>
Other expenditure		
Elected member remuneration	497,481	478,960
Donations	1,115,841	1,251,564
Landfill levy	10,121,486	10,081,093
Fuel issues	1,206,290	1,104,516
Sundry expenses	1,163,250	824,224
	<u>14,104,349</u>	<u>13,740,358</u>

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	6,592,531	2,777,520
Term deposits	7,000,000	18,000,000
Total cash and cash equivalents	13,592,531	20,777,520
Held as		
- Unrestricted cash and cash equivalents	11,108,713	20,777,520
	13,592,531	20,777,520

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

	2023 \$	2022 \$
(a) Current assets		
Financial assets at amortised cost	183,000,000	92,800,000
	183,000,000	92,800,000
Other financial assets at amortised cost		
Term deposits	183,000,000	92,800,000
	183,000,000	92,800,000
Held as		
- Unrestricted other financial assets at amortised cost	8,120,857	3,334,829
- Restricted other financial assets at amortised cost	174,879,143	89,465,171
	183,000,000	92,800,000
(b) Non-current assets		
Financial assets at amortised cost	38,349,058	101,900,141
Financial assets at fair value through profit or loss	162,979	155,607
	38,512,037	102,055,748
Financial assets at amortised cost		
Term deposits	38,349,058	101,900,141
	38,349,058	101,900,141
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	155,607	147,614
Movement attributable to fair value increment	7,372	7,993
Units in Local Government House Trust - closing balance	162,979	155,607
Held as		
- Restricted other financial assets at amortised cost	38,512,037	102,055,748
	38,512,037	102,055,748

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	1,923,204	2,204,257
Trade receivables	8,678,402	5,948,590
GST receivable/(payable)	145,003	(217,225)
	<u>10,746,609</u>	<u>7,935,622</u>
Non-current		
Pensioner's rates and ESL deferred	1,095,041	1,069,553
Accrued debtors	267,663	267,663
	<u>1,362,704</u>	<u>1,337,216</u>

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. INVENTORIES

Current	Note	2023	2022
		\$	\$
Fuel and materials		27,313	49,805
		27,313	49,805
The following movements in inventories occurred during the year:			
Balance at beginning of year		49,805	39,896
Reductions to inventory		(22,492)	9,909
Balance at end of year		27,313	49,805

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	670,706	437,162
Accrued income	4,968,996	4,286,995
	<u>5,639,702</u>	<u>4,724,157</u>

Land classified as held for sale

During the year council elected to dispose of vacant land on Main Street. The land is currently being marketed for sale. The property is to be disposed of by public auction in August 2023, with a number of parties having already shown an interest in the property.

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Computer equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	85,109,200	236,219,098	321,328,298	321,328,298	959,646	13,297,565	3,741,263	339,326,772
Additions	840,000	16,327,781	17,167,781	17,167,781	0	2,140,925	1,103,273	20,411,979
Disposals	(990,000)	(17,753)	(1,007,753)	(1,007,753)	0	(403,781)	0	(1,411,534)
Depreciation	0	(4,419,346)	(4,419,346)	(4,419,346)	(338,180)	(3,340,352)	(1,739,859)	(9,837,737)
Balance at 30 June 2022	84,959,200	248,109,780	333,068,980	333,068,980	621,466	11,694,357	3,104,677	348,489,480
Comprises:								
Gross balance amount at 30 June 2022	84,959,200	345,028,644	429,987,844	429,987,844	2,363,780	24,974,363	10,794,171	468,120,158
Accumulated depreciation at 30 June 2022	0	(96,918,864)	(96,918,864)	(96,918,864)	(1,742,314)	(13,280,006)	(7,689,494)	(119,630,678)
Balance at 30 June 2022	84,959,200	248,109,780	333,068,980	333,068,980	621,466	11,694,357	3,104,677	348,489,480
Additions	1,680,000	5,031,172	6,711,172	6,711,172	6,269	2,754,774	476,620	9,948,835
Disposals	0	0	0	0	0	(1,262,664)	0	(1,262,664)
Revaluation increments / (decrements) transferred to revaluation surplus	2,095,980	35,986,101	38,082,081	38,082,081	0	0	0	38,082,081
Depreciation	0	(4,867,689)	(4,867,689)	(4,867,689)	(248,381)	(2,821,204)	(1,711,664)	(9,648,938)
Transfers	0	(66,229)	(66,229)	(66,229)	0	0	20,552	(45,677)
Balance at 30 June 2023	88,735,180	284,193,135	372,928,315	372,928,315	379,354	10,365,263	1,890,185	385,563,117
Comprises:								
Gross balance amount at 30 June 2023	88,735,180	401,240,018	489,975,198	489,975,198	2,370,050	24,985,918	11,291,344	528,622,510
Accumulated depreciation at 30 June 2023	0	(117,046,883)	(117,046,883)	(117,046,883)	(1,990,696)	(14,620,655)	(9,401,159)	(143,059,393)
Balance at 30 June 2023	88,735,180	284,193,135	372,928,315	372,928,315	379,354	10,365,263	1,890,185	385,563,117

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Fair Value					
Land and buildings					
Land	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2023	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.
Buildings - non-specialised	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2023	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - parks equipment	Infrastructure - landfill	Infrastructure - marina	Infrastructure - coastal	Infrastructure - rehabilitation asset	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	457,234,393	245,535,817	60,791,495	57,454,231	16,526,952	5,568,182	47,375,909	0	890,486,979
Additions*	23,918,277	3,341,126	2,941,922	4,685,390	139,263	5,674,881	907,434	3,605,772	45,214,065
Revaluation increments / (decrements) transferred to revaluation surplus	86,567,409	1,021,399	50,435,246	31,186,648	0	0	0	0	169,210,702
Depreciation	(12,930,514)	(3,057,395)	(1,826,069)	(4,568,854)	(1,464,821)	(221,927)	(594,275)	(397,912)	(25,061,767)
Transfers						(1,120,804)	1,120,804	19,010,399	19,010,399
Balance at 30 June 2022	554,789,565	246,840,947	112,342,594	88,757,415	15,201,394	9,900,332	48,809,872	22,218,259	1,098,860,378
Comprises:									
Gross balance at 30 June 2022	875,773,640	311,999,954	160,164,824	126,071,994	48,820,165	13,381,444	55,132,142	40,700,769	1,632,044,932
Accumulated depreciation at 30 June 2022	(320,984,075)	(65,159,007)	(47,822,230)	(37,314,579)	(33,618,771)	(3,481,112)	(6,322,270)	(18,482,510)	(533,184,554)
Balance at 30 June 2022	554,789,565	246,840,947	112,342,594	88,757,415	15,201,394	9,900,332	48,809,872	22,218,259	1,098,860,378
Additions*	26,087,270	6,069,102	2,943,878	4,082,650	4,350,819	898,356	147,496	(224,744)	44,595,022
Revaluation increments / (decrements) transferred to revaluation surplus	83,230,172	41,309,510	13,528,311	7,488,323	0	0	0	0	145,556,316
Depreciation	(15,106,164)	(3,102,524)	(3,341,604)	(6,449,257)	(1,460,808)	(222,224)	(606,081)	(1,562,808)	(31,851,470)
Transfers	66,917	0	(24,708)	243,661	0	(16,046)	16,046	0	45,675
Balance at 30 June 2023	649,067,760	291,117,035	125,448,471	94,122,792	18,091,405	10,560,418	48,367,332	20,430,707	1,257,205,920
Comprises:									
Gross balance at 30 June 2023	1,011,516,072	357,479,648	178,087,703	133,417,516	53,170,984	14,263,754	55,295,683	40,476,025	1,843,707,385
Accumulated depreciation at 30 June 2023	(362,448,312)	(66,362,613)	(52,639,232)	(39,294,724)	(35,079,579)	(3,703,336)	(6,928,351)	(20,045,318)	(586,501,465)
Balance at 30 June 2023	649,067,760	291,117,035	125,448,471	94,122,792	18,091,405	10,560,418	48,367,332	20,430,707	1,257,205,920

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2022	3,689,968	2,495,291	762,337	1,050,703					7,998,299
During the year ended 30 June 2023	7,752,903	5,048,321	1,782,691	1,077,969					15,661,884

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Fair Value					
Infrastructure - roads	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - drainage	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - footpaths	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - parks equipment	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - landfill	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - marina	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - coastal	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - rehabilitation asset	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Building - Non Specialised	15 to 70 years
Furniture and equipment	4 to 20 years
Plant and equipment	3 to 25 years
Computer equipment	5 years
Infrastructure - roads	14 to 80 years
Infrastructure - drainage	75 to 100 years
Infrastructure - footpaths	30 to 50 years
Infrastructure - parks equipment	10 to 75 years
Infrastructure - landfill	10 to 80 years
Infrastructure - marina	25 to 50 years
Infrastructure - coastal	20 to 100 years
Right of use assets - plant and machinery	Based on the remaining lease
Rehabilitation asset	Based on the remaining life of the Landfill

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the City which are currently in use yet fully depreciated are shown in the table below.

	2023	2022
	\$	\$
Buildings - non-specialised	480,870	424,800
Furniture and equipment	2,116,627	611,050
Plant and equipment	5,025,761	2,519,081
	7,623,258	3,554,931

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$
Balance at 1 July 2021	310,363	310,363
Depreciation	(204,823)	(204,823)
Balance at 30 June 2022	105,540	105,540
Gross balance amount at 30 June 2022	1,217,141	1,217,141
Accumulated depreciation at 30 June 2022	(1,111,602)	(1,111,602)
Balance at 30 June 2022	105,539	105,539
Additions	529,545	529,545
Depreciation	(131,852)	(131,852)
Balance at 30 June 2023	503,232	503,232
Gross balance amount at 30 June 2023	1,746,686	1,746,686
Accumulated depreciation at 30 June 2023	(1,243,454)	(1,243,454)
Balance at 30 June 2023	503,232	503,232

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(131,852)	(204,823)
Finance charge on lease liabilities	(5,155)	(3,378)
Short-term lease payments recognised as expense	(138,113)	(219,271)
Total amount recognised in the statement of comprehensive income	(275,120)	(427,472)
Total cash outflow from leases	(143,268)	(222,648)

(b) Lease Liabilities

Current	100,625	114,651
Non-current	405,458	0
28(b)	506,083	114,651

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(b).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Bonds and deposits held
Other prepaid income

Non-current

Bonds and deposits held

	2023	2022
	\$	\$
	15,087,235	14,269,425
	2,213,965	2,169,005
	2,483,818	2,767,889
	224,049	272,045
	20,009,067	19,478,364
	1,356,582	1,535,484
	1,356,582	1,535,484

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	1,211,130	4,994,711
	<u>1,211,130</u>	<u>4,994,711</u>
Non-current		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	15,407,476	13,698,876
	<u>15,407,476</u>	<u>13,698,876</u>
Reconciliation of changes in contract liabilities		
Opening balance	18,693,587	30,031,120
Additions	2,919,730	23,679,604
Public Open Space payment transferred to comprehensive income	0	(5,419,364)
Revenue from contracts with customers included as a contract liability at the start of the period	(4,994,711)	(29,597,772)
	<u>16,618,606</u>	<u>18,693,587</u>
The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	18,693,587	24,611,756
Additions	19,496,583	23,679,603
Revenue from capital grant/contributions held as a liability at the start of the period	(21,571,564)	(29,597,772)
	<u>16,618,606</u>	<u>18,693,587</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,211,130	4,994,711
1 to 2 years	1,000,000	200,001
2 to 3 years	3,000,000	5,000,000
3 to 4 years	6,788,870	2,500,000
4 to 5 years	3,000,000	5,000,000
> 5 years	1,618,606	998,875
	<u>16,618,606</u>	<u>18,693,587</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		2,500,000	5,000,000	7,500,000	2,500,000	7,500,000	10,000,000
SMRC loan		0	0	0	1,434,065	0	1,434,065
Total secured borrowings	28(a)	2,500,000	5,000,000	7,500,000	3,934,065	7,500,000	11,434,065

Secured liabilities and assets pledged as security

Bank loans are secured by a floating charge over the assets of the City of Cockburn. Other loans relate to transferred receivables. Refer to Note 5.

The City of Cockburn has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 28(a).

Information regarding exposure to risk can be found at Note 22.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	4,643,393	4,812,649
Long service leave	4,669,795	4,373,784
	<u>9,313,188</u>	<u>9,186,433</u>
Total current employee related provisions	9,313,188	9,186,433
Non-current provisions		
Employee benefit provisions		
Long service leave	1,598,227	1,462,504
	<u>1,598,227</u>	<u>1,462,504</u>
Total non-current employee related provisions	1,598,227	1,462,504
Total employee related provisions	<u>10,911,415</u>	<u>10,648,937</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

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

	Note	2023	2022
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		9,313,188	9,186,433
More than 12 months from reporting date		1,598,227	1,462,504
		<u>10,911,415</u>	<u>10,648,937</u>

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. OTHER PROVISIONS

	Provision for rehabilitation of landfill	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	36,418,461	36,418,461
	<u>36,418,461</u>	<u>36,418,461</u>
Additional provision	711,634	711,634
Amounts used	(936,379)	(936,379)
Charged to profit or loss		
- unwinding of discount	1,165,391	1,165,391
Balance at 30 June 2023	<u>37,359,107</u>	<u>37,359,107</u>
Comprises		
Non-current	37,359,107	37,359,107
	<u>37,359,107</u>	<u>37,359,107</u>

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	109,636,919	2,095,980	111,732,899	109,636,919	0	109,636,919
Revaluation surplus - Buildings - non-specialised	20,308,730	35,986,101	56,294,831	20,308,730	0	20,308,730
Revaluation surplus - Infrastructure - roads	329,150,922	83,230,172	412,381,094	242,583,513	86,567,409	329,150,922
Revaluation surplus - Infrastructure - drainage	181,671,086	41,309,510	222,980,596	180,649,687	1,021,399	181,671,086
Revaluation surplus - Infrastructure - footpaths	94,940,339	13,528,311	108,468,650	44,505,093	50,435,246	94,940,339
Revaluation surplus - Infrastructure - parks equipment	39,440,274	7,488,323	46,928,597	8,253,626	31,186,648	39,440,274
Revaluation surplus - Infrastructure - landfill	40,532	0	40,532	40,532	0	40,532
Revaluation surplus - Infrastructure - coastal	24,566,155	0	24,566,155	24,566,155	0	24,566,155
	799,754,957	183,638,397	983,393,355	630,544,255	169,210,702	799,754,957

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	13,592,531	20,777,520
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Financial assets at amortised cost	4	210,774,244	191,520,920
		213,258,062	191,520,920
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	209,678,314	181,167,088
Contract liabilities	13	1,211,130	4,994,711
Bonds and deposits		1,356,582	4,303,373
Financial assets at fair value through profit and loss		162,979	155,607
Restricted non-current investment		849,058	900,141
Total restricted financial assets		213,258,062	191,520,920

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		39,441,991	51,818,881
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(7,372)	(7,993)
Depreciation/amortisation		41,632,262	35,104,328
(Profit)/loss on sale of asset		(458,884)	(1,727,008)
Population adjustment to long term borrowings		38,023	
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(2,836,475)	(1,178,072)
(Increase)/decrease in other assets		(915,545)	672,769
(Increase)/decrease in inventories		22,492	(9,909)
Increase/(decrease) in trade and other payables		351,801	3,226,159
Increase/(decrease) in employee related provisions		262,478	(332,728)
Increase/(decrease) in other provisions		940,646	4,356,033
Increase/(decrease) in other liabilities		(3,783,581)	(1,557,961)
Capital grants, subsidies and contributions		(33,832,352)	(39,525,700)
Net cash provided by/(used in) operating activities		40,855,484	50,838,799

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit		350,000	350,000
Credit card balance at balance date		(109,363)	(259,324)
Total amount of credit unused		240,637	90,676

Loan facilities

Loan facilities - current		2,500,000	3,934,065
Loan facilities - non-current		5,000,000	7,500,000
Total facilities in use at balance date		7,500,000	11,434,065

Unused loan facilities at balance date

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. CONTINGENT LIABILITIES

Council resolved to acquire land from landowners abutting Jandakot Road to widen Jandakot Road. Eight of the landowners objected to the acquisition of the land and have progressed a claim for compensation against the City which totals an estimated \$20.5 million more than the compensation determined in accordance with the City's Valuer advice. The land was compulsorily acquired by 30 June 2021 and the compensation determined by the City was paid subsequent to 30 June 2023. Both parties have since attended mediation on 21 November 2023, facilitated through the State Administrative Tribunal (SAT). This mediation was adjourned until 12 December 2023 in order to allow the parties to finalise negotiations and execute deeds of settlement. Should this outcome be achieved by that date, further mediation may not be required.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- Capital expenditure projects	18,531,672	16,997,675
- Hammond Road branch to Bartram	3,272,956	8,747,007
- Stage 1 Enabling Works - Henderson Redevelopment	2,126,293	0
- Land acquisition - Cockburn Coast Oval	10,089,480	9,433,304
- plant & equipment purchases	10,391,100	4,051,483
	44,411,501	39,229,469
Payable:		
- not later than one year	13,190,375	5,067,687
- later than one year but not later than five years	31,221,126	34,161,782

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Mayor's annual allowance	91,997	91,997	89,753
Mayor's meeting attendance fees	48,704	48,704	47,516
Mayor's other expenses	599	0	0
Mayor's annual allowance for ICT expenses	2,783	3,500	2,673
	144,083	144,201	139,942
Deputy Mayor's annual allowance	22,999	22,999	22,472
Deputy Mayor's meeting attendance fees	32,470	32,470	31,678
Deputy Mayor's child care expenses	6,010	0	2,175
Deputy Mayor's other expenses	1,021	0	105
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	683	0	237
	66,684	58,969	60,167
All other council member's meeting attendance fees	248,233	259,048	242,828
All other council member's child care expenses	4,109	0	2,455
All other council member's All other council member expenses	3,254	0	87
All other council member's annual allowance for ICT expenses	25,831	28,000	24,956
All other council member's travel and accommodation expenses	5,288	0	8,526
	286,715	287,048	278,851
21(b)	497,481	490,218	478,960

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	1,783,110	1,773,385
Post-employment benefits	209,672	185,177
Employee - other long-term benefits	480,366	489,629
Council member costs	497,481	478,960
	2,970,630	2,927,152

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. FINANCIAL RISK MANAGEMENT

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	1.02%	13,592,531	7,000,000	6,592,531	0
Financial assets at amortised cost - term deposits	3.07%	221,349,058	221,349,058	0	0
Financial assets at amortised cost - Treasury bonds		0	0	0	0
2022					
Cash and cash equivalents	0.56%	20,777,520	18,000,000	2,777,520	0
Financial assets at amortised cost - term deposits	0.76%	194,700,141	194,700,141	0	0
Financial assets at amortised cost - Treasury bonds		0	0	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	65,925	27,775

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	8,156,600	28,990	337,409	155,403	8,678,402
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0
Gross carrying amount	1,017,728	162,604	77,179	810,695	2,068,206
Loss allowance	0	0	0	0	0
30 June 2022					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	\$0
Gross carrying amount	5,948,590	0	0	0	5,948,590
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0
Gross carrying amount	2,204,257	165,557	78,580	825,416	3,273,810
Loss allowance	0	0	0	0	0

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Closing loss allowance at 30 June	0	0	0	0	0	0

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2023					
Trade and other payables	19,042,759	22,090,875	0	41,133,634	20,009,067
Borrowings	2,500,000	5,000,000	0	7,500,000	7,500,000
Lease liabilities	934		0	934	506,083
	<u>21,543,693</u>	<u>27,090,875</u>	<u>0</u>	<u>48,634,568</u>	<u>28,015,150</u>
2022					
Trade and other payables	22,012,696	17,935,989	0	39,948,685	19,478,364
Borrowings	3,934,065	7,500,000	0	11,434,065	11,434,065
Lease liabilities	114,651	0	0	114,651	114,651
	<u>26,061,412</u>	<u>25,435,989</u>	<u>0</u>	<u>51,497,401</u>	<u>31,027,080</u>

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

23 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

City of Cockburn's withdrawal from the Regional Resource Recovery Centre (RRRC) Project

In 1998, the Southern Metropolitan Regional Council (SMRC) put forward a proposal and prepared a business plan for the establishment of the Regional Resource Recovery Centre (RRRC Project) which was to involve the construction and operation of a waste processing facility for domestic disposal needs.

The SMRC's RRRC Project was established pursuant to a Project Participants Agreement (PPA) dated 12 April 1999 and varied on or about 29 August 2000 and the City was a Project Participant of the RRRC Project pursuant to the PPA.

The City withdrew from the Regional Resource Recovery Centre (RRRC) Project Participants' Agreement, which became effective after 30 June 2017.

The City has since complied with its continuing obligation to proportionally contribute towards borrowings under the RRRC Loan Agreement, with these borrowings now fully repaid as at 30 June 2023.

The full repayment of these borrowings has triggered the City's entitlement to proportional equity in the RRRC Loan Assets (those assets acquired with the borrowings).

Post 30 June 2023, the City has written to the SMRC requesting they advise the following:

- the full value of the RRRC Loan Assets as at 30 June 2023 (including providing documents supporting the valuation);
- what the SMRC considers the City's proportional equity in the RRRC Loan Assets is (including providing documents supporting the valuation); and
- the date on which the SMRC will make payment to the City of its proportional equity in the RRRC Loan Assets.

At the time of report preparation, the City had not received responses from the SMRC to these requests.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p>General purpose funding</p> <p>To collect revenue to allow for the provision of services.</p>	<p>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.</p>
<p>Law, order, public safety</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Provision of community safety services including supervision of various by-laws, animal and dog control, as security patrol service, fire prevention and voluntary emergency services.</p>
<p>Health</p> <p>To provide an operational framework for environmental and community health.</p>	<p>The provision of community health services including the regulation and monitoring of food premises, pollution and noise complaints, pest control and managing contaminated sites.</p>
<p>Education and welfare</p> <p>To provide services to disadvantaged person, the elderly, children and youth.</p>	<p>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.</p>
<p>Community amenities</p> <p>To provide services required by the community.</p>	<p>The provision of a waste and recyclables collection service and disposal and waste recovery services at the Waste Recovery Park. Providing services for the protection and management of the natural environment. The administration of the Town Planning Scheme and all associated land use planning issues.</p>
<p>Recreation and culture</p> <p>To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>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.</p>
<p>Transport</p> <p>To provide safe, effective and efficient transport services to the community</p>	<p>All activities relating to road, drainage and footpath construction and maintenance. The creation and maintenance of streetscapes. Provision of and operating the council works depot.</p>
<p>Economic services</p> <p>To help promote the local government and its economic wellbeing.</p>	<p>Activities associated with the control of building activity within the city and the provision of facilities and services that encourage tourism.</p>
<p>Other property and services</p> <p>To monitor and control operating accounts.</p>	<p>Includes private works and engineering overheads and plant operating costs (both of which are allocated to the City's works program). Includes all other unclassified activities.</p>

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2023 Actual	2022 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	54,710	153,316
General purpose funding	125,727,046	115,574,380
Law, order, public safety	943,922	1,116,992
Health	335,821	336,855
Education and welfare	709,531	762,167
Community amenities	19,450,952	20,042,193
Recreation and culture	12,693,487	11,720,692
Transport	594,534	451,422
Economic services	1,924,749	2,152,474
Other property and services	3,602,752	4,757,532
	166,037,504	157,068,023
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	143,885	199,316
General purpose funding	10,777,041	14,344,928
Law, order, public safety	633,870	426,767
Health	17,181	24,945
Education and welfare	6,509,099	9,336,709
Community amenities	1,189,418	1,050,284
Recreation and culture	2,818,509	4,708,384
Transport	29,448,037	23,210,880
Economic services	945	942
Other property and services	(1,042,932)	1,528,351
	50,495,053	54,831,506
Total Income	216,532,557	211,899,529
Expenses		
Governance	(15,844,437)	(12,888,761)
General purpose funding	(944,414)	(795,375)
Law, order, public safety	(7,399,526)	(6,743,517)
Health	(2,529,468)	(2,535,098)
Education and welfare	(14,522,389)	(15,256,592)
Community amenities	(39,976,726)	(35,292,728)
Recreation and culture	(50,061,183)	(45,485,908)
Transport	(36,483,729)	(32,439,850)
Economic services	(2,818,142)	(2,769,064)
Other property and services	(6,510,551)	(5,873,754)
Total expenses	(177,090,565)	(160,080,647)
Net result for the period	39,441,992	51,818,881
(c) Total Assets		
Governance	38,701,450	37,441,034
General purpose funding	238,195,664	218,907,078
Law, order, public safety	897,652	678,224
Health	1,038,615	940,719
Education and welfare	1,287,396	1,179,755
Community amenities	16,889,905	9,660,124
Recreation and culture	183,581,114	165,641,369
Transport	1,059,802,169	910,345,627
Economic services	263,615	246,641
Other property and services	355,495,585	332,094,894
	1,896,153,165	1,677,135,466

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

26. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
Improved Commercial/Industrial	Gross rental valuation	0.08592	2,738	350,233,487	30,092,061	0	30,092,061	30,092,061	0	30,092,061	28,829,917
Improved Commercial - Caravan Park	Gross rental valuation	0.11584	2	1,814,384	210,178	0	210,178	210,178	0	210,178	204,064
Improved Residential	Gross rental valuation	0.08897	31,122	630,769,450	56,119,569	0	56,119,569	56,119,558	0	56,119,558	53,106,524
Vacant	Gross rental valuation	0.09560	1,664	32,558,256	3,112,569	0	3,112,569	3,112,569	0	3,112,569	3,301,894
Rural Vacant Land	Unimproved valuation	0.00432	48	55,735,000	240,775	0	240,775	240,775	0	240,775	236,898
Rural General	Unimproved valuation	0.00280	70	54,555,000	152,754	0	152,754	152,754	0	152,754	137,986
Improved Commercial / Industrial	Split valuation	0.08592	2	158,754	13,640	0	13,640	13,640	0	13,640	112,262
Rural General	Split valuation	0.00280	0	486,618	1,363	0	1,363	1,363	0	1,363	19,093
Part Year Rating - GRV & UV	Split valuation		0	0	0	1,239,237	1,239,237	0	1,564,874	1,564,874	1,078,587
Ex-gratia rates			1	48,545,188	4,171,003	183,393	4,354,396	4,171,003	15,000	4,186,003	3,941,811
Total general rates			35,647	1,174,856,137	94,113,912	1,422,630	95,536,542	94,113,901	1,579,874	95,693,775	90,969,036
Minimum payment											
Minimum payment											
Improved Commercial/Industrial	Gross rental valuation	822	204	1,544,291	167,688	0	167,688	167,688	0	167,688	161,994
Improved Commercial - Caravan Park	Gross rental valuation	822	0	0	0	0	0	0	0	0	0
Improved Residential	Gross rental valuation	1,414	15,568	214,019,840	22,013,152	0	22,013,152	22,013,152	0	22,013,152	21,299,349
Vacant	Gross rental valuation	743	1,555	9,399,985	1,155,365	0	1,155,365	1,155,365	0	1,155,365	1,160,254
Rural Vacant Land	Unimproved valuation	1,001	16	2,471,000	16,016	0	16,016	16,016	0	16,016	972
Rural General	Unimproved valuation	1,001	4	11,900	4,004	0	4,004	4,004	0	4,004	3,888
Total minimum payments			17,347	227,447,016	23,356,225	0	23,356,225	23,356,225	0	23,356,225	22,626,457
Total general rates and minimum payments			52,994	1,402,303,153	117,470,137	1,422,630	118,892,767	117,470,126	1,579,874	119,050,000	113,595,493
Specified Area Rates											
Specified Area Rates - Port Coogee Special Area Maintenance		0.013254	1,074	29,588,620	392,168	4,893	397,061	400,000	0	400,000	379,310
Specified Area Rates - Port Coogee Waterways		0.013254	244	7,049,047	93,428	11,817	105,245	105,000	0	105,000	95,871
Specified Area Rates - Cockburn Coast Special Maintenance		0.013254	170	3,555,950	47,131	1,295	48,426	55,000	0	55,000	44,828
Specified Area Rates - Bibra Lake Sewer Stage 1		0.020204	26	3,169,408	64,035	0	64,035	64,000	0	64,000	64,035
Total amount raised from rates (excluding general rates)			1,514	43,363,025	596,762	18,005	614,767	624,000	0	624,000	584,044
Concessions							(895,093)			(850,000)	(1,294,651)
Total Rates							118,612,440			118,824,000	112,884,886
Rate instalment interest							489,259			500,000	474,363
Rate overdue interest							231,627			210,000	257,589

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

27. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	(458,884)	(1,476,042)	(1,744,761)
	1,708,600	0	(4,360,208)
	(7,372)	0	(7,993)
	38,023	0	0
	0	0	17,753
10(a)	41,632,262	37,563,705	35,104,328
Non-cash movements in non-current assets and liabilities:			
	(25,488)	0	(13,137)
	135,723	0	(19,488)
	940,646	0	4,356,033
	0	0	0
	0	0	(5,419,364)
	43,963,510	36,087,663	27,913,163
9(a)	15,661,884	0	7,998,299
	(15,661,884)	0	(7,998,299)
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
29	(209,678,314)	(170,573,388)	(181,167,088)
	(1,356,582)	0	(1,535,484)
14	2,500,000	2,500,000	3,934,065
11(b)	100,625	0	114,651
	38,349,058	0	101,900,141
	(170,085,213)	(168,073,388)	(76,753,715)
Net current assets used in the Statement of Financial Activity			
	213,006,155	0	126,287,104
	(33,134,010)	0	(37,708,224)
	(170,085,213)	(168,073,388)	(76,753,715)
	9,786,927	(168,073,388)	11,825,165

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Population adjustment	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$
Portion of SMRC borrowings for RRRC waste recycling project repayable by the City		2,929,222	0	(1,531,840)	1,434,065	0	38,023	(1,472,088)	0	1,434,065	0	(1,400,000)	34,065
To fund the Cockburn ARC recreation facility		12,500,000	0	(2,500,000)	10,000,000	0	0	(2,500,000)	7,500,000	10,000,000	0	(2,500,000)	7,500,000
Total		15,429,222	0	(4,031,840)	11,434,065	0	38,023	(3,972,088)	7,500,000	11,434,065	0	(3,900,000)	7,534,065

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Cisco Network Switches Unified		69,218	0	(39,332)	29,886	0	(29,886)	0	69,128	0	0	69,128
Unified Communications System Rack Mount Servers (5)		32,206	0	(32,206)	0	0	0	0	32,162	0	0	32,162
VDI Servers (6)		0	0	0	0	0	0	0	0	0	0	0
SAN Equipment (2)		0	0	0	0	0	0	0	(54)	0	0	(54)
Pure Storage Shelf x 2		0	0	0	0	0	0	0	54	0	0	54
LAN Equipment		0	0	0	0	0	0	0	0	0	0	0
LAN Equipment		0	0	0	0	0	0	0	0	0	0	0
Multi Functional devices (MFD's) 47		51,414	0	(26,424)	24,990	0	(24,990)	0	55,630	0	0	55,630
Multi Functional Devices (MFD's) - 47		1,896	0	(941)	955	0	(955)	0	1,891	0	0	1,891
Multi Functional Devices (MFD's) - 1		2,743	0	(1,361)	1,382	0	(1,382)	0	2,740	0	0	2,740
Hyundai I30		2,334	0	(2,334)	0	0	0	0	2,666	0	0	2,666
Multi Functional Devices (MFD's) - 47		14,212	0	(11,064)	3,149	0	(3,149)	0	14,200	0	0	14,200
Ford Ranger Vehicle		0	0	0	0	0	0	0	(70)	0	0	(70)
Multi Functional Devices (MFD's) - 47		3,245	0	(1,610)	1,635	0	(1,635)	0	3,239	0	0	3,239
Health Club Equipment - Pin Loaded		15,052	0	(15,052)	0	0	0	0	15,032	0	0	15,032
Multi Functional Devices (MFD's) - 47		26,248	0	(9,194)	17,054	0	(17,054)	0	26,212	0	0	26,212
ALC Baltic Laminator		0	0	0	0	0	0	0	1,736	0	0	1,736
Shark Barrier		115,354	0	(79,753)	35,600	0	(35,600)	0	132,634	0	0	132,634
Shark Barrier - New Contract		0	0	0	0	529,545	(23,463)	506,082	0	0	0	0
Total Lease Liabilities	11(b)	333,922	0	(219,270)	114,651	529,545	(138,113)	506,083	357,200	0	0	357,200

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending	Lease Term
						30 June 2023	30 June 2023	30 June 2022	
Cisco Network Switches Unified		E6N0162330	Maia Financial	1.49%	31/03/2023	\$ (186)	\$ 0	\$ (763)	45 months
Unified Communications System Multi Functional devices (MFD's) 47		E6N0160636	Maia Financial	1.45%	31/03/2023	0	0	(195)	33 months
Multi Functional Devices (MFD's) - 1		E6N0162022	Maia Financial	1.49%	30/06/2023	(282)	0	(804)	48 months
Hyundai I30		E6N0162166	Maia Financial	1.49%	30/06/2023	(11)	0	(32)	48 months
		6244197	Easifleet Management	1.45%	31/01/2022	0	0	(11)	31 months

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Multi Functional Devices (MFD's) - 47		E6N0162022	Maia Financial	1.49%	4510700.00%	(86)	0	(245)	48 months
Multi Functional Devices (MFD's) - 47		E6N0162022	Maia Financial	1.49%	30/06/2023	(8)	0	(22)	48 months
Health Club Equipment - Pin Loaded		E6N0159778	Maia Financial	1.45%	31/03/2022	0	0	(91)	33 months
Multi Functional Devices (MFD's) - 47		E6N0162022	Maia Financial	1.49%	30/06/2023	(19)	0	(55)	48 months
Shark Barrier		C100468	Maia Financial	1.47%	30/11/2022	(133)	0	(1,160)	41 months
Shark Barrier - New Contract		C100928	Maia Financial	3.40%	31/03/2028	(4,430)	0	0	60 months
Total Finance Cost Payments						(5,155)	0	(3,378)	

**CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

29. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Staff Payments & Entitlements	762,036	1,000,000	0	1,762,036	1,553,128	1,000,000	(41,475)	2,511,653	1,593,128	0	(831,092)	762,036
(b) Plant & Vehicle Replacement	12,190,360	1,991,408	(1,692,342)	12,489,426	9,989,812	1,320,000	(6,629,861)	4,679,951	11,869,994	2,256,686	(1,936,320)	12,190,360
(c) Information Technology	1,674,702	1,500,000	(26,794)	3,147,908	2,017,034	1,500,000	(26,794)	3,490,240	926,599	1,000,000	(251,897)	1,674,702
(d) Major Building Refurbishment	18,113,555	2,350,000	(115,484)	20,348,071	19,788,412	2,350,000	(171,568)	21,966,844	17,341,289	1,500,000	(727,734)	18,113,555
(e) Waste & Recycling	16,226,330	6,133,456	(4,394,619)	17,965,167	10,707,308	6,133,456	(6,187,176)	10,653,588	12,523,659	3,841,934	(139,263)	16,226,330
(f) Land Development and Investment Fund	8,173,172	963,272	(5,094,802)	4,041,642	12,583,332	963,272	(9,182,508)	4,364,096	12,863,720	2,696,660	(7,387,208)	8,173,172
(g) Roads & Drainage Infrastructure	11,747,017	5,500,000	(450,289)	16,796,728	11,520,713	5,500,000	(974,818)	16,045,895	12,203,545	3,789,864	(4,246,392)	11,747,017
(h) Naval Base Shacks	1,261,186	30,000	0	1,291,186	1,198,213	30,000	0	1,228,213	1,242,899	18,287	0	1,261,186
(i) Community Infrastructure	31,702,223	10,000,000	(1,799,742)	39,902,481	30,293,580	10,000,000	(2,513,549)	37,780,031	21,757,381	13,556,124	(3,611,282)	31,702,223
(j) Insurance	2,391,204	0	(281,597)	2,109,607	2,959,263	0	(558,840)	2,400,423	2,672,675	0	(281,471)	2,391,204
(k) Greenhouse Action Fund	908,938	200,000	0	1,108,938	1,089,034	200,000	0	1,289,034	708,938	200,000	0	908,938
(l) Aged and Disabled Asset Replacement	465,834	11,040	0	476,874	498,353	0	0	498,353	422,872	78,121	(35,159)	465,834
(m) Welfare Projects Employee Entitlements	1,053,457	158,923	(354,267)	858,113	2,965,987	20,000	0	2,985,987	1,850,772	1,800	(799,115)	1,053,457
(n) HWRP Post Closure Management & Contaminated S	3,385,769	1,500,000	(13,810)	4,871,959	3,869,276	1,500,000	(60,000)	5,309,276	2,915,674	500,000	(29,905)	3,385,769
(o) Municipal Elections	151,420	150,000	0	301,420	151,420	150,000	0	301,420	151,420	150,000	(150,000)	151,420
(p) Port Coogee Special Maintenance - SAR	2,040,979	445,140	(366,543)	2,119,576	1,650,143	400,000	(663,123)	1,387,020	1,980,900	386,476	(326,398)	2,040,979
(q) Port Coogee Waterways - SAR	194,765	112,503	0	307,268	149,222	105,000	0	254,222	146,257	98,508	(50,000)	194,765
(r) Community Surveillance	987,870	200,000	(251,356)	936,514	789,480	200,000	(450,250)	539,230	932,870	200,000	(145,000)	987,870
(s) Waste Collection	8,312,856	1,607,149	0	9,920,005	7,246,651	1,607,149	(852,500)	8,001,300	6,512,856	1,800,000	0	8,312,856
(t) Family Day Care Accumulation Fund	11,600	275	(11,875)	0	11,549	0	0	11,549	11,560	40	0	11,600
(u) Community Infrastructure (DCA 13)	820,306	243,049	(138,956)	924,399	5,492,335	3,000,000	(2,979,783)	5,512,552	6,869,715	1,385,122	(7,434,531)	820,306
(v) Naval Base Shack Removal	826,130	55,086	0	881,216	725,695	35,000	0	760,695	792,815	33,315	0	826,130
(w) Environmental Offset	248,759	0	0	248,759	308,011	0	0	308,011	248,759	0	0	248,759
(x) Bibra Lake Management Plan	15,267	0	0	15,267	353,125	0	0	353,125	192,968	0	(177,701)	15,267
(y) Restricted Grants & Contributions	5,388,608	6,528,551	(4,468,416)	7,448,743	998,903	3,625	(4,088,649)	(3,086,121)	5,174,134	4,576,396	(4,361,922)	5,388,608
(z) CIHCF Building Maintenance	11,706,747	565,221	(152,756)	12,119,212	10,822,499	800,000	(392,000)	11,230,499	10,688,137	1,044,840	(26,231)	11,706,747
({) Cockburn ARC Building Maintenance	6,675,048	1,500,000	0	8,175,048	6,718,365	1,500,000	(150,000)	8,068,365	5,218,365	1,500,000	(43,317)	6,675,048
() Carry Forward Projects	12,322,168	7,414,128	(4,034,890)	15,701,406	6,215,110	7,414,128	(8,512,208)	5,117,030	11,867,222	8,523,422	(8,068,476)	12,322,168
(}) Port Coogee Marina Assets Replacement	2,084,887	300,000	(86,346)	2,298,541	1,610,887	300,000	(487,816)	1,423,071	1,784,887	300,000	0	2,084,887
(~) Port Coogee Waterways - WEMP	1,075,185	25,921	(58,605)	1,042,501	1,126,367	0	(482,231)	644,136	1,246,537	4,270	(175,623)	1,075,185
() Cockburn Coast SAR	85,406	50,931	(11,363)	124,974	39,043	55,000	(12,048)	81,995	50,644	45,151	(10,389)	85,406
(€) Coogee Beach Foreshore Management	0	118,334	0	118,334	0	0	0	0	0	0	0	0
() Developer Contribution Plans	12,981,170	1,942,630	(271,475)	14,652,325	12,500,980	970,000	(4,401,052)	9,069,928	11,291,969	2,240,245	(551,045)	12,981,170
(.) POS Reserve	5,182,134	116,232	(125,693)	5,172,673	5,517,470	0	(125,693)	5,391,777	5,458,078	190,389	(466,332)	5,182,134
	181,167,088	52,713,249	(24,202,020)	209,678,314	173,460,700	47,056,630	(49,943,942)	170,573,388	171,513,238	51,917,651	(42,263,801)	181,167,088

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account Restricted by legislation/agreement	Anticipated date of use	Purpose of the reserve account
(a) Staff Payments & Entitlements	ongoing	This Reserve provides for payment of various staff entitlements including separation, bonus, awards and other payments made to Staff either through contractual or statutory entitlement, other than leave liabilities already provided for within the City's net asset position.
(b) Plant & Vehicle Replacement	ongoing	This Reserve provides for the orderly replacement of plant and vehicles. Annual transfers into this Reserve are based on the estimated depreciation charge for plant each year. Funds are drawn as required to meet annual plant replacement costs.
(c) Information Technology	ongoing	This Reserve is used to provide for the capital cost of upgrading/replacement of Council's computer hardware and software.
(d) Major Building Refurbishment	ongoing	This Reserve provides funding for future major refurbishment of Council buildings as they become necessary. Annual transfers are usually made to this Reserve from any end of year surplus.
(e) Waste & Recycling	majority by 2040	This Reserve provides funding for capital costs associated with the development and management of a waste disposal site. Transfers to this Reserve are made based on planned future capital funding requirements for waste management.
(f) Land Development and Investment Fund	ongoing	This Reserve is to accommodate and facilitate the purchase, development and disposal of land under the Council's land development strategies with the ability to loan funds on an interest payable basis to other reserve accounts of the City.
(g) Roads & Drainage Infrastructure	ongoing	The purpose of this Reserve 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.
(h) Naval Base Shacks	ongoing	This Reserve provides funds for the development & refurbishment of the Naval Base shacks site. It will also fund rehabilitation costs 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 shacks.
(i) Community Infrastructure	ongoing	This Reserve funds 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.
(j) Insurance	ongoing	This Reserve is used to minimise and smooth annual budgetary impacts from the City's performance based insurance schemes, including deductibility levels.
(k) Greenhouse Action Fund	ongoing	This Reserve will be used to purchase carbon offsets and fund projects to support energy efficiency, waste management and renewable energy installations.
(l) Aged and Disabled Asset Replacement	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(m) Welfare Projects Employee Entitlements	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(n) HWRP Post Closure Management & Contaminated S	ongoing	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.
(o) Municipal Elections	ongoing	This Reserve provides funding to cover election expenses during election years to smooth out annual budgetary impacts.
(p) Port Coogee Special Maintenance - SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development. These funds are required for the specialised maintenance requirements of the development.
(q) Port Coogee Waterways - SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development on land directly adjacent to the waterways. These funds are required for the maintenance of the waterways surrounding Port Coogee marina and associated infrastructure.
(r) Community Surveillance	ongoing	This Reserve funds activities in relation to Community Surveillance.
(s) Waste Collection	ongoing	This reserve provides funding for future capital requirements related to the Waste Collection service.
(t) Family Day Care Accumulation Fund	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(u) Community Infrastructure (DCA 13)	ongoing	This reserve is used to account for funds generated from the Community Infrastructure Development Contributions Scheme (DCP13) established under the City's Town Planning Scheme No. 3.
(v) Naval Base Shack Removal	uncertain	Established for the purposes of the future removal of leasehold dwellings at Reserve 24308, Naval Base. All funds raised are to be accounted for on a property lease by lease basis, and not on who paid the actual payment at the time of the payment. Funds raised will be reimbursed to leaseholders when dwelling is removed and the site rehabilitated to its prior state.
(w) Environmental Offset	ongoing	This Reserve is used to manage funds required to undertake environmental rehabilitation of land associated with road construction as approved by the relevant government agency.

Name of reserve account	Anticipated date of use	Purpose of the reserve account
(x) Bibra Lake Management Plan	ongoing	This Reserve is used to manage funding to implement the Bibra Lake Management Plan as adopted by Council.
(y) Restricted Grants & Contributions	ongoing	This Reserve is used to quarantine monies received for restricted purposes across financial years.
(z) CIHCF Building Maintenance	ongoing	This Reserve is used to manage funding for major building maintenance of the Cockburn Integrated Health and Community Facility (CIHCF).
(f) Cockburn ARC Building Maintenance	ongoing	This Reserve is used to manage funding for the major building maintenance of the Cockburn ARC recreation facility.
(l) Carry Forward Projects	ongoing	This reserve is used to manage municipal funding for incomplete projects carried forward to the following financial year.
(j) Port Coogee Marina Assets Replacement	ongoing	This Reserve provides for the replacement of marina infrastructure assets. Funding is provided from pen fees to reflect estimated depreciation costs.
(~) Port Coogee Waterways - WEMP	ongoing	This Reserve is used to manage the funds paid by the developer of the Port Coogee marina development in accordance with the Waterways Environmental Management Plan (WEMP). The funds will be used to maintain and manage the marina waterways.
() Cockburn Coast SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) providing funding to ensure that the parks and public areas (including custom street lighting) within the Cockburn Coast Development are maintained in accordance with the higher standards agreed to between the City and the Developer.
(€) Coogee Beach Foreshore Management	ongoing	This Reserve is used for the management of Coogee Beach Foreshore
() Developer Contribution Plans	ongoing	This Reserve is used for the management of contributions and costs with respect to Development Contribution Areas as established by and in accordance with Town Planning Scheme 3.
(.) POS Reserve	ongoing	This Reserve is used to manage Public Open Space payments received from developers.