City of Cockburn

Audit Risk and Improvement Committee

Minutes

For Tuesday, 25 November 2025

These Minutes are subject to confirmation

Presiding Member's signature



26/5/2026

Date: 26 November 2025

Audit Risk and Improvement Committee Meeting
Tuesday, 25 November 2025

Table of Contents

Page

1. Declaration of Meeting 5
2. Appointment of Presiding Member 5
3. Disclaimer 5
4. Acknowledgement of Receipt of Written Declarations of Financial Interests and Conflict of Interest (by Presiding Member) 5
5. Apologies & Leave of Absence 5
6. Public Question Time 5
7. Confirmation of Minutes 6
   - 7.1 Minutes of the Ordinary Audit Risk and Improvement Committee Meeting - 15/07/2025 6
   - 7.1 (2025/MINUTE NO 0022) Minutes of the Audit Risk and Improvement Committee Meeting - 15/07/2025 6
8. Deputations 6
9. Business Left Over from Previous Meeting (if adjourned) 6
10. Declaration by Members who have Not Given Due Consideration to Matters Contained in the Business Paper Presented before the Meeting 6
11 Reports - CEO (and Delegates) 8
   - 11.1 Corporate and System Services 8
     - 11.1.1 (2025/MINUTE NO 0023) Financial Management Review (FMR) 8
   - 11.2 Infrastructure Services 46
     - 11.2.1 (2025/MINUTE NO 0024) Fleet Management Audit: City of Cockburn & City of Kwinana Internal Audit Report June 2025 46
     - 11.2.2 (2025/MINUTE NO 0025) Follow-Up Report: LGIS Fleet Risk Assessment 81
   - 11.3 Office of the CEO 85
     - 11.3.1 (2025/MINUTE NO 0026) Integrity Strategy Update 85
     - 11.3.2 (2025/MINUTE NO 0027) Operational Risk Register Update 103
     - 11.3.3 (2025/MINUTE NO 0028) Strategic Risk Register Update 137
     - 11.3.4 (2025/MINUTE NO 0029) Legal Proceedings Between City of Cockburn and Other Parties 154
12. Motions of Which Previous Notice Has Been Given 157
13. Notices Of Motion Given At The Meeting For Consideration At Next Meeting 157
14. New Business of an Urgent Nature Introduced by Members or Officers 158

11.2.2 (2025/MINUTE NO 0030) Financial Report and Audit Results for City of Cockburn Year Ending 30 June 2025 158

15. Matters to be Noted for Investigation Without Debate 213

16. Confidential Business 213

17. Closure of Meeting 213

Audit Risk and Improvement Committee Meeting
Tuesday, 25 November 2025

Minutes

Attendance

Members
Ms S Zulsdorf, Independent Member (Presiding Member)
Mr L Estrade, Independent Member (Deputy Presiding Member)
Cr K Allen
Deputy Mayor P Corke
Cr C Reeve-Fowkes
Cr H Srhoy
Cr C Zhang

Observer
Cr Tarun Dewan

Guests

Mr H Badshah	Audit and Assurance Manager, KPMG (departed 6:36pm)
Mr S Herathmudalige	Audit Manager, Marci Partners (departed 6:54pm)
Mr A Marci	Partner, Marci Partners (departed 6:54pm)
Mr P Scally	Chief Executive Officer, Bluezoo (departed 7:27pm)
Mr A Sheikh	Assistant Director, Office of the Auditor General (departed 6:36pm
Mr J Ward	Audit and Assurance Partner, KPMG (departed 6:36pm)

Staff

Mr D Simms	Chief Executive Officer
Ms C Bywater	Director Corporate and System Services (Arrive 6:01pm)
Ms K Johnson	Director Community and Place
Mr A Lees	Director Infrastructure Assets
Ms C Catherwood	A/Director Sustainable Development and Safety
Mr J Blanchard	General Counsel
Mr A Thomas	Chief Financial Officer (departed 8:05pm)
Ms C D'Ascenzo	Service Manager Strategic Finance (departed 8:04pm)
Mr J Fiori	Risk and Governance Advisor
Ms T Hardmeier	Service Lead Governance and Council Support
Ms S D'Agnone	Council Minute Officer

1. Declaration of Meeting

The Presiding Member declared the meeting open at 6:07pm and acknowledged the Whadjuk Peoples of Beeliar Boodjar. Long ago, now and in the future they care for Country, with a continuing connection to Land, Waters and Culture, and paid respects to the Elders, past and present.

2. Appointment of Presiding Member

Nil

3. Disclaimer

The Presiding Member read the Disclaimer:

> Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position.
>
> Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4. Acknowledgement of Receipt of Written Declarations of Financial Interests and Conflict of Interest (by Presiding Member)

Nil

5. Apologies & Leave of Absence

Apologies
Cr Chontelle Stone
Cr Tom Widenbar
Daniel Arndt, Director Sustainable Development and Safety

6. Public Question Time

Nil

7. Confirmation of Minutes

7.1 (2025/MINUTE NO 0022) Minutes of the Audit Risk and Improvement Committee Meeting - 15/07/2025

Committee Recommendation
MOVED Cr P Corke SECONDED Cr C Reeve-Fowkes

That Committee confirms the Minutes of the Audit Risk and Improvement Committee Meeting held on Tuesday, 15 July 2025 as a true and accurate record.

CARRIED 7/0

8. Deputations

Nil

9. Business Left Over from Previous Meeting (if adjourned)

Nil

10. Declaration by Members who have Not Given Due Consideration to Matters Contained in the Business Paper Presented before the Meeting

Nil

6:10pm The following Items were brought forward and considered :

14.1.1 Financial Report and Audit Results for City of Cockburn Year Ending 30 June 2025

6:36pm Mr H Badshah, Mr A Sheikh and Mr J Ward departed the meeting and did not return.

11.1.1 Financial Management Review

6:54pm Mr S Herathmudalige and Mr A Marci departed the meeting and did not return.

11.2.1 Fleet Management Audit: City of Cockburn and City of Kwinana Internal Audit Report June 2025

7:27pm Mr P Scally departed the meeting and did not return.

11 Reports - CEO (and Delegates)

11.1 Corporate and System Services

6:39pm **Item 11.1.1 was considered immediately following Item 14.1.1 for the convenience of the Auditors present.**

11.1.1 (2025/MINUTE NO 0023) Financial Management Review (FMR)

Executive	Director Corporate and System Services
Author	Service Manager Strategic Finance
Attachments	1. Financial Management Review (FMR) Report - FY25 ⇩

Committee Recommendation
MOVED Cr K Allen SECONDED Cr P Corke

That Council RECEIVES the Financial Management Review (FMR) report for FY25 as attached.

CARRIED 7/0

6:54pm **Mr S Herathmudalige and Mr A Marci departed the meeting and did not return.**

Background

In accordance with Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer (CEO) is required to conduct regular reviews of the appropriateness and effectiveness of the financial management systems and procedures established under Regulation 5(1).

These reviews are required at least once every three financial years. The City last completed a review, which was reported to Council, in September 2022.

To ensure a thorough and independent process, Macri Partners has been engaged to carry out the current Financial Management Review (FMR) on behalf of the CEO.

Macri Partners was engaged to undertake the current Financial Management Review (FMR) on behalf of the CEO.

Macri Partners is a WALGA listed supplier for audit services with substantial experience in completing FMR engagements for local governments across the state.

While Macri Partners was not the City's previous FMR reviewer, they are a former external auditor of the City and continue to provide audit services for the City's deferred pensioner balances and grant acquittals.

Submission

N/A

Report

The objective of this audit was to provide independent assurance to help the City's CEO meet statutory responsibilities under Regulation 5(2)(c) of the Local Government (Financial Management) Regulations. This regulation requires regular reviews to ensure the City's financial management systems and procedures are both appropriate and effective.

The CEO is required to ensure these systems and procedures are appropriate and effective in fulfilling the City's financial management obligations. These duties include:

- Collection of money owed
- Custody and security of money and investments held
- Rates
- Maintenance and security of financial records
- Accounting and controls for revenue and expenses
- Accounting and controls for assets and liabilities
- Authorisation of purchases
- Authorisation of payments
- Borrowings
- Maintenance and processing of payroll
- Stock controls and costing records
- Record keeping for financial records
- Preparation of budgets and budget reviews
- Preparation of financial reports.

The outcomes of the FMR provide the CEO with independent assurance regarding the effectiveness of the City's financial management control environment, for which the CEO holds ultimate responsibility, and identifies any gaps or opportunities to enhance the City's financial management systems and procedures.

Key Audit Results

22 financial management areas in total were examined during the conduct of the review, covering financial systems and processes over the period 1 July 2024 to 30 June 2025:

- Bank reconciliations and petty cash
- Investments of surplus funds
- Trust funds
- Receipts and receivables
- Rates
- Fees and charges
- Purchases, payments and payables (including purchase orders)
- Payroll
- Registers (including annual and primary returns)
- Audit committee
- Storage of documents/record keeping
- Credit card procedures
- Fixed assets (including acquisition and disposal of property)
- Cost and administration overhead allocations
- Minutes and meetings
- Budget
- Financial reports
- General journals
- Information Technology
- Delegations
- Insurance
- General compliance and other matters

As part of the review, the following five key areas were identified with specific matters requiring improvement:

- Purchase of Goods and Services - (1 Minor and 1 Moderate)
- Sundry debtors - (1 Minor and 2 Moderate)
- Payroll – (4 Minor and 3 Moderate)
- Information and technology systems (IT) - (1 Moderate)
- Minor general compliance and other related matters - (2 Minor).

The findings will be monitored with appropriate actions implemented to address identified risks, as detailed in the table below with accompanying management comments:

Area	Rating	Matters Identified / Recommendations
Purchase of Goods and Services	Minor	Testing of procurement transactions during the financial year identified one instance, from a sample of 20, where the purchase order was issued after the supplier invoice date. **Recommendation** Purchase orders should always be approved for all applicable items prior to ordering goods or services. **Management Comments** Software renewal invoices do not require a purchase order to facilitate payment although can be utilised at the officer's discretion.

Area	Rating	Matters Identified / Recommendations
Purchase of Goods and Services	Moderate	A review of 20 payment transactions identified four instances where the same staff member both authorised the purchase order and acknowledged the receipt of goods or services. It was noted that the City's control environment permits authorising officers to process the receipt of goods or services on the relevant purchase orders. **Recommendation** Management should review these transactions and other similar transactions to ensure their authenticity. Also the City should implement documented procedures to ensure appropriate segregation of duties, particularly between authorisation of purchase order and acknowledgement of receipt of goods/services **Management Comments** Requisitions are audited on a weekly basis by a Procurement Officer. If non-compliance is identified this is recorded, stored in the City Records Management System (CiAnywhere - ECM) and reviewed by management monthly. The City's Procurement Policy, procedures, and processes permit officers with procurement responsibilities to raise requisitions and to undertake the goods receipt action independently. Receipting and invoices are reviewed at the time of matching by the Accounts Payable Team.
Sundry Debtors	Minor	The Sundry Debt Recovery Procedures were scheduled for review by 1 September 2021, however, no documentary evidence was available to confirm that the review had been completed. Management advised that the procedures are subject to periodic internal review and remain fit for purpose, continuing to support the effective management of sundry debtor processes. **Recommendation** The periodic internal reviews should be documented, and such documentation should be available to be independently reviewed. **Management Comments** To address this issue, a formal review will be completed and documented by 31 August 2025. Moving forward, all periodic reviews of the procedure will include version control and be stored in ECM to ensure transparency and easy auditing.

Area	Rating	Matters Identified / Recommendations
Sundry Debtors	Moderate	It was noted that the credit note number is the same as the invoice number against which the credit is given. **Recommendation** The credit notes should be numbered with a unique, sequential number, typically different from invoice numbers to maintain clear records and facilitate easy identification and reconciliation. **Management Comments** Acknowledged, and was remedied 18th June 2025.
Sundry Debtors	Moderate	The City's credit policy AF CSX has not been reviewed and updated since its adoption in June 2020. **Recommendation** The Credit Policy should be reviewed at the earliest opportunity and updated in line with the current requirements of the City relating to sundry debtors. **Management Comments** The City has maintained a 'fit-for-purpose' credit policy since 1990s, primarily for its Henderson Landfill customers. The Credit Policy referred to in this instance is a new [supplementary] credit policy aimed at non-landfill customers, which was proposed in June 2020 however not formally adopted (hence no subsequent reviews or updating). The City is currently in the process of formalising the policy Council consideration and adoption.
Payroll	Moderate	There was no documented evidence confirming that changes to the payroll Masterfile are reviewed by an officer independent of those with access to it. **Recommendation** A senior officer independent of the payroll function should review all amendments to payroll Masterfile on a periodic basis and ensure all amendments are genuine and correct. Evidence of review should be documented and retained. **Management Comments** Updates to bank details are subject to peer review, and a fortnightly report outlining all changes is produced. This report is reviewed by the Senior Payroll Officer and then provided to the Chief Financial Officer and the Service Manager Strategic Finance. Job lines are initially created by the Human Resources team. The Payroll team subsequently reviews the employment contract to confirm the accuracy of key information, including the commencement date and the pay level/step. Once verified, the relevant pay

Area	Rating	Matters Identified / Recommendations
		entitlements are established in the payroll system. Annual increments are processed based on each employee's anniversary date. As an additional control, Supervisors are expected to review pay confirmations, which may assist in identifying any discrepancies in pay rates. To make this process stronger, a new verification procedure will be introduced within the next month. This improvement is designed to enhance the accuracy and oversight of pay rate changes and support our existing review practices.
Payroll	Moderate	It was noted that one out of five samples tested, there was a considerable delay between the employee termination date and system access removal date. **Recommendation** Immediate revocation of system access rights is crucial when an employee is terminated to protect sensitive information and maintain business continuity. **Management Comments** A response was provided on 4 July 2025, during which it was identified that the IT system access removal dates for two employees had been incorrectly recorded in the audit documentation, with the dates inadvertently switched. In addition, for a third employee who had passed away, IT access was not removed in a timely manner due to a breakdown in communication - Human Resources had not informed IT of the employee's passing. To address this issue, the circumstances surrounding the incident will be reviewed, and a formal process will be implemented to ensure the timely and accurate removal of system access.
Payroll	Minor	The City's Enterprise Agreement 2022 states in paragraph 23.9 employees will keep their total annual leave accrual to no more than 8 weeks (304 hours) or 10 weeks (380 hours) if they meet the definition of a shift worker. During testing of the annual leave report at 18th May 2025 it was noted 6 non-shift workers with outstanding annual leave entitlements in excess of 8 weeks. **Recommendation** Management should implement processes to identify and monitor staff that have accrued excess annual leave balances and take appropriate action.

Area	Rating	Matters Identified / Recommendations
		Management Comments As communicated via email on 2 July 2025, four of the six employees identified with excess annual leave balances had approved upcoming leave intended to reduce their balances. To enhance oversight and support the timely management of leave accruals, Payroll will introduce a fortnightly review process. This process will involve monitoring staff leave balances and identifying instances of excess leave, enabling earlier intervention by Supervisors and ensuring alignment with the organisation's leave management policy.
Payroll	Minor	In four out of six sampled payroll transactions, the current pay rate could not be verified due to the absence of appropriate documentation following employee promotions or changes in job roles that resulted in revised pay rates. **Recommendation** The City should have appropriate documentation to support all salary increments/revisions. **Management Comments** Updated contracts or variation letters are issued when an employee is promoted or their job role changes. The City does not issue an updated employment contract each time staff receive an annual increment. This is because the increment process is clearly defined in the Enterprise Agreement, which stipulates that eligible staff receive their increment in the first full pay period of November each year. Increment history is transparently recorded and can be easily tracked through job line entries in the payroll system. As such, issuing a new contract for each increment would not be a time-effective or operationally necessary practice, given the clarity of the process and the availability of supporting system records.
Payroll	Minor	It was noted that where employees submit manual timesheets, the payroll officer enters the relevant details into a spreadsheet, based on which a reconciliation report is prepared and uploaded to the payroll processing system. However, there was no documentary evidence to indicate that there is an independent check of the data entered into the spreadsheet prior to entering into the payroll system. **Recommendation** The information in the spreadsheet should be checked prior to uploading to the payroll system.

Area	Rating	Matters Identified / Recommendations
		Management Comments Currently, Payroll staff do not conduct a peer review of data entered into the upload spreadsheet. However, all entries are subsequently transferred to the pay checking spreadsheet, where a comprehensive review of each individual pay is carried out every Wednesday. This process enables the identification and correction of any discrepancies prior to finalising payroll. The accuracy rate consistently ranges between 99% and 100%, reflecting the effectiveness of this approach. Given this high level of accuracy, no changes to the current process are recommended. Introducing a separate peer review step would require additional staffing resources, which would not be operationally efficient or economically justified. Furthermore, processing accuracy, compliance, and completion timeliness are monitored as key performance indicators within the People Experience (HR) Strategy on a Page document.
Payroll	Moderate	Out of five new staff recruitments tested, it was noted that in one instance the People's Experience Officer had not signed the offer letter that was issued to the employee. **Recommendation** It is crucial for employers to ensure all employment contracts are properly signed by both employer and employee and securely stored to avoid potential legal disputes. **Management Comments** The audit documents reviewed show that the staff member was hired in 1995. Since then, our processes have evolved significantly. Today, it is standard practice to obtain and keep signed employment contracts and related documentation for all new hires, in line with current compliance and recordkeeping requirements.
Payroll	Minor	Payroll confirmation reports are issued to the departmental heads/supervisors after the pay that shows what has been paid for each employee within their areas. However, there was no documentary evidence to indicate that the departmental heads/supervisors have reviewed the information contained in the payroll confirmation reports. **Recommendation** Payroll confirmation reports should be reviewed by the departmental heads/supervisors in a timely manner and the reviewer should sign off and record the date of review.

Area	Rating	Matters Identified / Recommendations
		Management Comments A formal process will be implemented requiring Supervisors to confirm that they have reviewed their staff members' pays and have taken appropriate action to report and/or resolve any discrepancies identified. This additional control is intended to enhance accountability and support the timely resolution of payroll issues at the departmental level.
Information Technology (IT)	Moderate	During testing of IT controls, it was noted that the City's Information and Cyber Security Policy, and Information Backup Standard have not been reviewed and updated since October 2019 and August 2019 respectively. **Recommendation** The City should review the Information and Cyber Security Policy and the Information Backup Standard periodically in order to ensure their currency and relevance. **Management Comments** The City acknowledges the need to maintain current and fit-for-purpose policies to support information security and operational resilience. A full review of all Information and Technology policies, including the Information and Cyber Security Policy and the Information Backup Standard, is currently underway as part of the broader cybersecurity uplift and governance improvement initiatives. This review will ensure alignment with current regulatory requirements, industry best practices (such as the ASD Essential Eight and ISO 27001), and the City's evolving risk profile. Updated versions of both documents are expected to be finalised and endorsed by December 2025.
General Compliance and Other Matters	Minor	The City's EOM Fuel Upload Reconciliation Procedure - MA CA-01 and EY Fuel Procedure have not been reviewed and updated since 31 October 2019 and 13 June 2018 respectively. **Recommendation** The City should review the EOM and EY Fuel procedures and update them where necessary. **Management Comments** The City acknowledges the above, a formal review will be undertaken and documented by 30 September 2025, the updated procedures will then be recorded with version control and retained in ECM to ensure transparency and auditability.

Area	Rating	Matters Identified / Recommendations
General Compliance and Other Matters	Minor	Section 5.75 of the Local Government (Administration Regulations) 22, requires relevant persons to lodge primary returns within three months of their start date. However, five officers had lodged late primary returns as reported in the Compliance Audit Return. **Recommendation** The City should have appropriate measures in place to ensure collection of primary returns within the prescribed timeframe in order to be compliant with the Regulations. **Management Comments** The City acknowledges the above. As noted in the 'Comments' section of the Compliance Audit Return, the City is reviewing its approach to primary and annual returns to improve compliance in the future. The City complied with its obligation to report late lodgement to the Corruption and Crime Commission, as required by section 28 of the Corruption, Crime and Misconduct Act 2003.

The outcomes of the review conducted by Macri Partners provide strong assurance to the City's CEO, the Audit, Risk and Improvement Committee and Council regarding the robustness and effectiveness of the City's financial management controls, systems, and procedures.

Completion dates for the management actions related to the recommendations listed below need to be extended until the end of December 2025, due to administrative considerations and resourcing constraints

Payroll	Moderate	**Recommendation** A senior officer independent of the payroll function should review all amendments to payroll Masterfile on a periodic basis and ensure all amendments are genuine and correct. Evidence of review should be documented and retained.
Payroll	Minor	**Recommendation** Payroll confirmation reports should be reviewed by the departmental heads/supervisors in a timely manner and the reviewer should sign off and record the date of review.
Payroll	Moderate	**Recommendation** A senior officer independent of the payroll function should review all amendments to payroll Masterfile on a periodic basis and ensure all amendments are genuine and correct. Evidence of review should be documented and retained.

Given the comprehensive scope of the review and the three - year interval since the previous assessment, the number and nature of the findings - comprising a balanced mix of both minor and moderate risks - reflect positively on City's financial governance framework. The outcomes demonstrate that, despite the time elapsed, controls remain largely effective, with most issues identified posing limited risk.

Beyond the assurance provided, the review also delivers strategic value by identifying opportunities for improvement and addressing any control gaps.

The City is committed to implementing the recommendations outlined in the review, as detailed in the management responses provided.

Strategic Plans/Policy Implications

Listening & Leading
A community focused, sustainable, accountable and progressive organisation.
• Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is an obligation under Section 5(2) (c) of the *Local Government (Financial Management) Regulations 1996* for the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government at least once every three financial years and to report the results of those reviews to Council.

The completed review ensures statutory compliance and assists the CEO to mitigate risks associated with the financial management of the City as identified and reported.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

MACRI PARTNERS
Chartered Accountants

PARTNERS
Anthony Macri CA FCPA
Domenic Macri CA CPA
Connie De Felice CA CPA

13 August 2025

Mr Daniel Simms
Chief Executive Officer
City of Cockburn
9, Coleville Crescent
SPEARWOOD WA 6163

Dear Sir

RE: FINANCIAL MANAGEMENT REVIEW REPORT - 2025

Please find enclosed the City of Cockburn - Report on the review of the appropriateness and effectiveness of the financial management systems and procedures in respect of the financial year 2025 for your information.

We thank you and your staff for the assistance provided during the conduct of the review.

Yours faithfully,

ANTHONY MACRI
AUDIT PARTNER

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au
Liability limited by a scheme approved under Professional Standards Legislation

City of Cockburn

Report on the review of the appropriateness and effectiveness of the financial management systems and procedures

June 2025



TABLE OF CONTENTS

PAGE

1. INDEPENDENT REVIEWER'S REPORT 1

2. EXECUTIVE SUMMARY 4

2.1 BACKGROUND AND REVIEW OBJECTIVE 4
2.2 SCOPE AND APPROACH 4
2.3 OVERVIEW OF FINDINGS 6
3. RISK RANKING CRITERIA 7

4. DETAILED FINDINGS AND RECOMMENDATIONS 8

4.1 PURCHASE OF GOODS AND SERVICES 8
4.2 SUNDRY DEBTORS 11
4.3 PAYROLL 14
4.4 INFORMATION TECHNOLOGY (IT) 22
4.5 GENERAL COMPLIANCE AND OTHER MATTERS 23

MACRI PARTNERS
Chartered Accountants

PARTNERS
Anthony Macri CA FCPA
Domenic Macri CA CPA
Connie De Felice CA CPA

1. INDEPENDENT REVIEWER'S REPORT

TO THE CHIEF EXECUTIVE OFFICER OF THE CITY OF COCKBURN

At the request of the CEO, Macri Partners was engaged to conduct a limited assurance review of the appropriateness and effectiveness of the City of Cockburn's ("the City") financial management systems and procedures. The objective of the review is to assist the CEO discharge his responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (as amended). The review was conducted for the period 1 July 2024 to 30 June 2025.

CEO'S RESPONSIBILITY FOR MAINTAINING AND REVIEWING FINANCIAL MANAGEMENT SYSTEMS AND PROCEDURES

The CEO is responsible for implementing policies, procedures and controls which are designed to ensure the effective and efficient management of the Council's resources. In accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (as amended), the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures. At least once in every three financial years, the CEO is to report the results of those reviews to Council.

OUR RESPONSIBILITY

Our responsibility is to provide a report expressing limited assurance, designed to enhance the confidence of the CEO to assist him report on the appropriateness and effectiveness of the financial management systems as required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (as amended). We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, in order to state whether, based on the procedures performed, anything has come to our attention that causes us to believe that that the City's financial management systems have not been operating effectively. Our engagement provides limited assurance as defined in ASAE 3500.

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au
Liability limited by a scheme approved under Professional Standards Legislation

LIMITATIONS OF USE

This report is made solely to the CEO of the City for the purpose of the CEO reporting under Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*. We disclaim any assumption of responsibility for any reliance on this report to any person other than the CEO of the City, or for any purpose other than that for which it was prepared. We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

The report is for the use of the City of Cockburn and should not be quoted in whole or in part without our prior written consent.

INHERENT LIMITATIONS

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ASAE 3500 and consequently does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an opinion providing reasonable assurance. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and its responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our reports should not rely on the report to identify all potential instances of non-compliance which may occur.

Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

INDEPENDENCE

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

CONCLUSION

Based on our work described in this report, nothing has come to our attention to indicate the City has not established and maintained appropriate and effective financial management systems and procedures during the period 1 July 2024 to 30 June 2025 other than those aspects of the City's Financial Management systems and procedures which were assessed as having opportunities for improvement. Our findings and recommendations are summarised at Part 4 of this report.

MACRI PARTNERS
CHARTERED ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 13TH DAY OF AUGUST 2025

2. EXECUTIVE SUMMARY

2.1 BACKGROUND AND REVIEW OBJECTIVE

The objective of our review is to provide a report, based on our understanding of the City and associated risks, to assist the CEO to report to the local government on the appropriateness and effectiveness of the City's financial management systems and procedures as required by local government (Financial Management) Regulation 5(2)(c).

To comply with this requirement, we were engaged to undertake a review of certain areas (refer 2.2 Scope and Approach). Our engagement was undertaken in accordance with Australian Auditing and Assurance Standards.

The review covered the period 1 July 2024 to 30 June 2025.

2.2 SCOPE AND APPROACH

The financial management review coverage included the following agreed areas:

- Bank reconciliations and petty cash
- Investments of surplus funds
- Trust funds
- Receipts and receivables
- Rates
- Fees and charges
- Purchases, payments and payables (including purchase orders)
- Payroll
- Credit card procedures
- Fixed assets (including acquisition and disposal of property)
- Cost and administration overhead allocations
- Minutes and meetings
- Budget
- Financial reports
- General journals

- Information Technology
- Registers (including annual and primary returns)
- Delegations
- Audit committee
- Insurance
- Storage of documents/record keeping
- General compliance and other matters

Three stages were involved:

(i) Drafting financial management review work programs

The following factors were considered in developing the review programs:

- setting the objectives and scope of work;
- determining what needed to be tested and how much to test;
- documenting the work;
- deciding upon exceptions and their impact; and
- drawing conclusions regarding the testing and assessment.

(ii) Performance of financial management review function

The review was performed with the involvement of Partner, Manager and senior staff at various stages/levels of the work for the drafting of the review programs, performances of work, discussions and the drafting of reports.

(iii) Draft report, discuss and provide final report

Reporting at the conclusion of our review visit involved reporting of review findings, control weaknesses, legislative non-compliance matters and other relevant matters together with our recommendations.

2.3 OVERVIEW OF FINDINGS

Our examination was mainly an overview of the areas, assessing major controls and considering whether the systems and procedures in place are appropriate and effective for the City's current level of operations and structure. We did not necessarily examine compliance with provisions of the Act or Regulations, which were not financial in nature.

The financial management review was undertaken by discussions with the City's management and staff. We reviewed and identified the controls and procedures established within each area. Wherever necessary, the information provided was verified to test its accuracy and reliability.

The report contains several recommendations which we believe would help ensure that the financial systems operate in a more efficient and effective manner.

We encourage the City to consider these recommendations and if appropriate, to adopt them as they will further improve systems and procedures and ensure the integrity and reliability of the financial management processes and reporting of the City.

3. RISK RANKING CRITERIA

The following rankings may be applied to each recommendation to determine the significance of the issues raised:

Significant

Signifies a serious breakdown in key controls, which has the potential to:
- Impact adversely on the achievement of the Council's objectives, and/or
- Expose the Council to the risk of major financial loss, and/or
- Expose the Council to a substantial risk of external criticism.

Requires immediate management actions.

Moderate

Signifies a breakdown in controls, which has the potential to:
- Impact adversely on the achievement of Program/Activity objectives, and/or
- Expose the Program/Activity to the risk of financial loss, and/or
- Expose the Program/Activity to a risk of external criticism.

Requires management action within a reasonable time period.

Minor

Signifies a minor breakdown in controls, which, when addressed, will:

- Improve performance of the Program/Activity, and/or
- Improve controls in line with good management practice, and/or
- Decrease risks inherent in the Program/Activity.

Management should consider cost benefit analysis within a reasonable time period.

The risk ranking is indicated below each issue.

4. DETAILED FINDINGS AND RECOMMENDATIONS

4.1 PURCHASE OF GOODS AND SERVICES

We carried out a review of the purchases and payments system to determine the adequacy and effectiveness of the controls in place. A number of payments were selected and testing performed to determine whether purchases of goods and services were in accordance with City's purchasing policy, guidelines and procedures.

More specifically, this entailed examining the following desirable internal control objectives:

- Appropriateness of the Council Policy on Purchases and Payments.
- Assurance that proper procedures are in place over the purchases and payments for goods and services.
- Assurance that purchases are initiated only by authorised personnel and on the basis of competitive quotes (where applicable).
- Assurance that Purchase Orders for goods are placed as needed and for optimum quantities.
- Incoming delivery of goods are recorded.
- Quantity and quality of goods received are certified prior to payment.
- Terms, prices and general accuracy of supply invoices are certified correctly before payment.
- The allocation of costs is correctly handled so as to produce reliable reports for management purposes.
- Credits are correctly processed for all purchase returns and allowances.
- The functions of requisitioning, ordering, receiving, certifying and invoice paying are segregated.

The following matters were noted during our review and are brought to your attention.

(i) Finding:

During our testing of procurements throughout the year, we noted an instance (out of a sample of 20) where the purchase order was dated after the date of the corresponding supplier invoice. The relevant purchase order number is 132121 which is dated 12 August 2024 and the invoice is dated 19 July 2024.

Rating: Minor

Implication:

There was no evidence that the ordering of services was approved prior to obtaining the services.

Recommendation:

Purchase orders should always be approved for all applicable items prior to ordering goods or services.

Management Comment:

Software renewal invoices do not require a purchase order to facilitate payment although can be utilised at the officer's discretion.

Responsible Person: Chief Financial Officer
Completion Date: 16 July 2025

(ii) Finding:

We noted that in 4 out of 20 payment transactions where the same staff authorised the purchase order and acknowledged the receipt of goods/services. We were made to understand that the City's control environment allows for authorising officers to process the goods/services on the relevant purchase orders.

Rating: Moderate

Implication:

Lack of segregation of duties increases the risk of unauthorised fraudulent purchases occurring without detection, resulting in financial loss to the City.

Recommendation:

Management should review these transactions and other similar transactions to ensure their authenticity. Also the City should implement documented procedures to ensure appropriate segregation of duties, particularly between authorisation of purchase order and acknowledgement of receipt of goods/services.

Management Comment:

Requisitions are audited on a weekly basis by the Procurement Support Assistant. If non-compliance is identified this is recorded, stored in the City Records Management System (CiAnywhere - ECM) and reviewed by management on a monthly basis. The City's Procurement Policy, procedures, and processes permit officers with procurement responsibilities to raise requisitions and to undertake the goods receipt action independently. Receipting and invoices are reviewed at the time of matching by the Accounts Payable Team.

Responsible Person: Chief Financial Officer
Completion Date: 16 July 2025

4.2 SUNDRY DEBTORS

We carried out a review of the system relating to sundry debtors in order to ascertain if the controls around the sundry debtors system were effective.

The following matters were noted during our review and are brought to your attention.

(i) Finding:

Recovery of Sundry Debt Procedures was supposed to be reviewed by 1 September 2021 but there was no documentary evidence of a review. However, we were informed by the management that the procedures are subject to periodic internal review and the procedures remain fit for purpose and continue to support the effective management of sundry debtor processes.

Rating: Minor

Implication:

In the absence of documentary evidence of periodic reviews, we were unable to ascertain the appropriateness of the sundry debt procedures currently in use.

Recommendation:

The periodic internal reviews should be documented and such documentation should be available to be independently reviewed.

Management Comment:

To address this, a formal review will be undertaken and documented by 31 August 2025. Going forward, all periodic reviews of the procedure will be recorded with version control and retained in ECM to ensure transparency and auditability.

Responsible Person: Chief Financial Officer
Completion Date: 31 August 2025

(ii) Finding:

It was noted that the credit note number is the same as the invoice number against which the credit is given.

Rating: Moderate

Implication:

Using the same number for both invoices and credit notes can lead to confusion and difficulties in record keeping, tracking and reconciliation. It also creates an unclear audit trail, which could potentially lead to errors, frauds and mismatched records.

Recommendation:

The credit notes should be numbered with a unique, sequential number, typically different from invoice numbers to maintain clear records and facilitate easy identification and reconciliation.

Management Comment:

Acknowledged, and was remedied 18th June 2025.

Responsible Person: Chief Financial Officer
Completion Date: 18th June 2025

(iii) Finding:

The City's credit policy –AFCSX has not been reviewed and updated since its adoption in June 2020.

Rating: Moderate

Implication:

Management decisions may be based on an outdated policy resulting in financial loss to the City.

Recommendation:

The Credit Policy should be reviewed at the earliest opportunity and updated in line with the current requirements of the City relating to sundry debtors.

Management Comment:

The City has maintained a 'fit-for-purpose' credit policy since 1990s, primarily for its Henderson Landfill customers. The Credit Policy referred to in this instance is a new [supplementary] credit policy aimed at non-landfill customers, which was proposed in June 2020 however not formally adopted (hence no subsequent reviews or updating) The City is currently in the process of formalising and presenting policy to ELT for approval and adoption.

Responsible Person: Chief Financial Officer
Completion Date: 31st August 2025

4.3 PAYROLL

As part of our review process, we examined the policies and procedures in place over the recruitment function and the monitoring and control of payroll.

The scope of the review focussed on the payroll process including:

- Weekly payroll processing
- New appointments
- Termination payments
- Leave balances and payments
- Workers' Compensation
- Compliance to applicable Awards, Acts and Regulations

More specifically, this entailed examining the following desirable objectives:

- Assurance that proper procedures are in place over the recruitment of staff.
- Job descriptions properly and adequately provide the duties and responsibilities of each employee.
- Staff evaluations are carried out regularly to monitor the performance of employees.
- A proper filing system is in place to ensure that employee related correspondences are filed and preserved.
- Adequate accounting records are kept to account for staff entitlements.
- Superannuation and other deductions effected from employees' salaries are remitted to the appropriate authorities promptly.
- Proper procedures are in place over the payment of employee wages and salaries.

The following matters were noted during our review and are brought to your attention.

(i) Finding:

There was no documentary evidence to indicate that amendments to payroll Masterfile are reviewed by an officer independent of the officer/s who have access to payroll Masterfile.

Rating: Moderate

Implication:

In the absence of an independent review of the amendments to payroll Masterfile, errors or frauds may not be detected in a timely manner.

Recommendation:

A senior officer independent of the payroll function should review all amendments to payroll Masterfile on a periodic basis and ensure all amendments are genuine and correct. Evidence of review should be documented and retained.

Management Comment:

Updates to bank details are peer reviewed and we obtain a fortnightly report which shows all updates and is reviewed by the Senior Payroll Officer and provided to the CFO and Service Manager Strategic Finance.

Job lines are initially created by the HR team. Payroll then reviews the employment contract to verify the accuracy of key details, including the commencement date and the pay level/step. Once verified, Payroll establishes the corresponding pay entitlements in the system.

Annual increments are processed based on the employee's anniversary date. As an additional control, Supervisors are expected to review pay confirmations, which may help identify any discrepancies in pay rates.

To strengthen this process, a new verification procedure will be implemented within the next month as per your recommendation. This enhancement aims to improve the accuracy and oversight of pay rate changes and reinforce existing review mechanisms.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 16 July 2025

(ii) Finding:

We noted that in one out of five samples tested, there was a considerable delay between the employee termination date and system access removal date.

Rating: Moderate

Implication:

Failing to promptly deactivate system access for terminated employees poses significant security risks, including data breaches, unauthorized access and potential legal and financial repercussions.

Recommendation:

Immediate revocation of system access rights is crucial when an employee is terminated to protect sensitive information and maintain business continuity.

Management Comment:

A response was provided on 4 July 2025, during which it was identified that the IT system access removal dates for two employees were recorded incorrectly in the audit documents and had been inadvertently switched. Additionally, for a third employee who had passed away, IT access was not removed in a timely manner due to a communication gap—HR did not notify IT of the employee's passing.

To address this, we will review the circumstances of this incident and implement a formal process to ensure timely and accurate removal of system access.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 31 July 2025

(iii) Finding:

The City's Enterprise Agreement 2022 states in paragraph 23.9 employees will keep their total annual leave accrual to no more than 8 weeks (304 hours) or 10 weeks (380 hours) if they meet the definition of a shift worker . During our testing of the annual leave report at 18th May 2025 we noted 6 non-shift workers with outstanding annual leave entitlements in excess of 8 weeks.

Rating: Minor

Implication:

Excess annual leave may have adverse effects on the City including:

- Key staff not been rotated, a preventive control against fraud;
- Health and safety concerns with staff members not taking their annual leave entitlements; and
- Increase the City's costs given salary rises and increments over time.

Recommendation:

Management should implement processes to identify and monitor staff that have accrued excess annual leave balances and take appropriate action.

Management Comment:

As advised via email on 2 July 2025, four of the six employees identified with excess annual leave balances had approved upcoming leave to reduce their balances. To strengthen oversight and ensure timely management of leave accruals, Payroll will implement a fortnightly review process. This will involve monitoring staff leave balances and identifying cases of excess leave, enabling earlier intervention by Supervisors and alignment with our leave management policy.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 16 August 2025

(iv) Finding:

In four instances out of a sample of six payroll transactions, in the absence of appropriate documentation we were unable to verify the current pay rate when an employee has been promoted or where job roles have changed and the pay rate has been revised.

Rating: Minor

Implication:

Absence of appropriate documentation to support the pay rate in use, can lead to employee dissatisfaction and potential legal issues. It can also create difficulties in record-keeping and audits, and potentially lead to disputes if the pay rate amendments are not properly documented.

Recommendation:

The City should have appropriate documentation to support all salary increments/revisions.

Management Comment:

Updated contracts or variation letters are issued when an employee is promoted or their job role changes.

The City does not issue an updated employment contract each time staff receive an annual increment. This is because the increment process is clearly defined in the Enterprise Agreement, which stipulates that eligible staff receive their increment in the first full pay period of November each year.

Increment history is transparently recorded and can be easily tracked through job line entries in the payroll system. As such, issuing a new contract for each increment would not be a time-effective or operationally necessary practice, given the clarity of the process and the availability of supporting system records.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 17 July 2025

(v) Finding:

It was noted that where employees submit manual timesheets, the payroll officer enters the relevant details into a spreadsheet, based on which a reconciliation report is prepared and uploaded to the payroll processing system. However, there was no documentary evidence to indicate that there is an independent check of the data entered into the spreadsheet prior to entering into the payroll system.

Rating: Minor

Implication:

In the absence of an independent review, errors, frauds may not be detected in a timely manner.

Recommendation:

The information in the spreadsheet should be checked prior to uploading to the payroll system.

Management Comment:

Currently, payroll staff do not conduct a peer review of data entered into the upload spreadsheet. However, all entries are subsequently transferred to our pay checking spreadsheet, where a comprehensive review of each individual pay is conducted every Wednesday. This process allows us to identify and correct any discrepancies prior to finalising payroll.

Our accuracy rate consistently falls between 99% and 100%, demonstrating the effectiveness of this method. Given this high level of accuracy, we do not recommend changes to the current process. Introducing a separate peer review step would require additional staffing resources, which would not be operationally efficient or economically justified.

Additionally, processing accuracy, compliance and completion timeliness are monitored measures of success (key performance indicators) contained within the People Experience (HR) Strategy on a Page document.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 17 July 2025

(vi) Finding:

Out of five new staff recruitments tested, it was noted that in one instance the People's Experience Officer had not signed the offer letter that was issued to the employee.

Rating: Moderate

Implication:

Issuing an offer letter to an employee without it being signed by the employer can lead to legal issues even if the employee accepts the offer and starts working. An unsigned letter could create ambiguity and can be difficult to enforce.

Recommendation:

It is crucial for employers to ensure all employment contracts are properly signed by both employer and employee and securely stored to avoid potential legal disputes.

Management Comment:

I have reviewed the auditing documents provided and note that staff member was hired in 1995. Since then, the process has significantly evolved. It is now standard practice to obtain and retain signed employment contracts and associated documentation for all new hires, in line with current compliance and recordkeeping requirements.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 17 July 2025

(vii) Finding:

Payroll confirmation reports are issued to the departmental heads/supervises after the pay that shows what has been paid for each employee within their areas. However, there was no documentary evidence to indicate that the departmental heads/supervises have reviewed the information contained in the payroll confirmation reports.

Rating: Minor

Implication:

Errors and/or omissions may not be detected in a timely manner without the payroll confirmation reports been reviewed by the departmental heads/supervises.

Recommendation:

Payroll confirmation reports should be reviewed by the departmental heads/supervises in a timely manner and the reviewer should sign off and record the date of review.

Management Comment:

We will implement a formal process requiring Supervisors to confirm that they have reviewed their staff members' pays and have taken appropriate action to report and/or resolve any discrepancies identified. This additional control will enhance accountability and ensure timely resolution of payroll issues at the departmental level.

Responsible Person: Group Manager People and Organisational Performance
Completion Date: 16 August 2025

4.4 INFORMATION TECHNOLOGY (IT)

We conducted a review of the internal controls around IT.

The following matter was noted during our review and is brought to your attention:

(i) Finding:

During our testing of IT controls, we noted that the City's Information and Cyber Security Policy, and Information Backup Standard have not been reviewed and updated since October 2019 and August 2019 respectively.

Rating: Moderate

Implication:

Lack of an up-to-date Information and Cyber Security Policy and Information Backup Standard may result in the management not making decisions that are in the best interest of the City and to comply with latest regulations and best practice.

Recommendation:

The City should review the Information and Cyber Security Policy and the Information Backup Standard periodically in order to ensure their currency and relevance.

Management Comment:

The City acknowledges the need to maintain current and fit-for-purpose policies to support information security and operational resilience. A full review of all Information and Technology policies, including the Information and Cyber Security Policy and the Information Backup Standard, is currently underway as part of the broader cybersecurity uplift and governance improvement initiatives.

This review will ensure alignment with current regulatory requirements, industry best practices (such as the ASD Essential Eight and ISO 27001), and the City's evolving risk profile. Updated versions of both documents are expected to be finalised and endorsed by December 2025.

Responsible Person: Chief Information Officer
Completion Date: December 2025

4.5 GENERAL COMPLIANCE AND OTHER MATTERS

The following matters were noted during our review and are brought to your attention:

(i) Finding:

The City's EOM Fuel Upload Reconciliation Procedure – MA CA-01 and EY Fuel Procedure have not been reviewed and updated since 31 October 2019 and 13 June 2018 respectively.

Rating: Minor

Implication:

Management decisions may be based on outdated procedures resulting in financial loss to the City.

Recommendation:

The City should review the EOM and EY Fuel procedures and update them where necessary.

Management Comment:

The City acknowledges the above, a formal review will be undertaken and documented by 30 September 2025, the updated procedures will then be recorded with version control and retained in ECM to ensure transparency and auditability.

Responsible Person: Chief Financial Officer
Completion Date: 30 September 2025

(ii) Finding:

Section 5.75 of the Local Government (Administration Regulations) 22, requires relevant persons to lodge primary returns within three months of their start date. However, five officers had lodged late primary returns as reported in the Compliance Audit Return.

Rating: Minor

Implication:

Non-compliance with the Regulations.

Recommendation:

The City should have appropriate measures in place to ensure collection of primary returns within the prescribed timeframe in order to be compliant with the Regulations.

Management Comment:

The City acknowledges the above. As noted in the 'Comments' section of the Compliance Audit Return, the City is reviewing its approach to primary and annual returns to improve compliance in the future. The City complied with its obligation to report late lodgement to the Corruption and Crime Commission, as required by section 28 of the Corruption, Crime and Misconduct Act 2003.

Responsible Person: General Counsel
Completion Date: *N/A*

11.2 Infrastructure Services

6:54pm **Item 11.2.1 was considered immediately following Item 11.1.1 for the convenience of the Auditors present.**

11.2.1 (2025/MINUTE NO 0024) Fleet Management Audit: City of Cockburn and City of Kwinana Internal Audit Report June 2025

Executive	Director Infrastructure Services
Author	Group Manager Parks, Fleet and Waste
Attachments	1. City of Cockburn and City of Kwinana Internal Audit Report: June 2025. ⇩

Recommendation
That Council:

(1) RECEIVES the Fleet Management Audit: City of Cockburn & City of Kwinana Internal Audit Report June 2025;

(2) IMPLEMENTS the recommendations for the Risk Management & Policy Currency and Operational Guidance categories; and

(3) RECOMMENDS the operational expenditure and / or service level adjustments to implement the recommendations of the 4 remaining categories be included in the "Draft" 2026/27 Municipal Annual Budget and "Draft" FY27 Service Plans.

Committee Recommendation
MOVED Cr H Srhoy SECONDED Cr C Reeve-Fowkes
That Council:

(1) RECEIVES the Fleet Management Audit: City of Cockburn and City of Kwinana Internal Audit Report June 2025;

(2) PROCEEDS TO INVESTIGATE the recommendations for the Risk Management and Policy Currency and Operational Guidance categories; and

(3) RECOMMENDS the operational expenditure and / or service level adjustments to implement the recommendations of the 4 remaining categories, be included for review, in the "Draft" 2026/27 Municipal Annual Budget and "Draft" FY27 Service Plans.

CARRIED 7/0

7:27pm **Mr Scally departed the meeting and did not return.**

Background

The City commissioned BlueZoo Advisory Ltd to complete a fleet management audit in combination with City of Kwinana as a collaborative approach to benchmarking our respective adequacy of the management control framework and related risk management strategies for the fleet management function.

The audit included a review of processes related to the planning, organising, controlling, directing, communicating, and management of vehicle assets along with the extent to which policies, procedures, guidelines, and processes complied with applicable laws and regulations governing fleet management.

The audit also evaluated the effectiveness of the operating model by identifying activities that were outsourced versus those conducted in-house, and whether these arrangements provided value for money.

A review of relevant policies, procedures, workshop and supporting documentation, as well as data analysis and stakeholder interviews was also undertaken in the audit

Submission

N/A

Report

The audit recognises that both the City of Cockburn and the City of Kwinana have established operational processes to support their fleet functions, and there is clear intent to manage assets responsibly and deliver essential services effectively.

A key opportunity for both local government authorities lies in strengthening the role of risk management, not as a periodic or isolated exercise, but as a consistent, embedded part of daily fleet operations.

While some risk assessment activities have been undertaken, they are not fully integrated into operational decision-making or service planning.

Establishing and maintaining fleet-specific risk registers, clearly articulating risk appetite, and assigning control ownership will support a shift toward proactive risk governance.

This approach will enhance operational resilience, improve accountability, and enable both local government authorities to anticipate better and respond to issues such as safety risks, compliance changes, and asset underperformance.

Risk ratings were identified for both organisations, with high ratings requiring urgent attention, medium ratings requiring timely management and low ratings representing minor issues or improvement opportunities.

BlueZoo Advisory Ltd summary for the City of Cockburn is detailed below:

Category	Risk Rating (Cockburn)	City of Cockburn
Risk Management	**High**	The City of Cockburn lacks effective risk management practices for fleet operations. Cockburn has no structured approach to identifying or managing fleet risks, with only one risk documented and no ongoing reviews.
Policy Currency and Operational Guidance	**Medium**	Cockburn's fleet policies lack strategic direction and remain outdated, based on legacy arrangements. There is a need to shift thinking from fleet as a tactical task to a high-value, high-risk strategic resource. Introducing strategic principles covering alignment, safety, cost, sustainability, and data use will streamline policy development and ensure better outcomes with minimal effort and significant impact.
Lifecycle Planning and Data Integration	**Medium**	Cockburn manages its fleet under ownership-based models; processes remain manual and fragmented. Cockburn uses a dedicated system but lacks integration for disposal and lifecycle justification.
Maintenance Scheduling and Downtime Tracking	**Medium**	Maintenance at Cockburn lacks depth in scheduling and reporting, relying on a single trigger and not tracking downtime. Servicing is based on time rather than kilometres or engine hours, which limits efficiency. Improved maintenance planning through data analytics and the adoption of telematics would enhance reliability, enable kilometre-based servicing, support utilisation and rotation, and address key risks such as driver behaviour.
KPI Monitoring and Performance Oversight	**Low**	Cockburn's fleet KPIs have not been updated since 2016. This limits the ability to track performance, efficiency, and value. Establishing relevant, measurable KPIs would support better oversight and continuous improvement.
Operating Model	**Low**	Cockburn uses an ownership-based fleet model where the city manages vehicle use, maintenance, and replacements. However, the model lacks a formal framework and periodic review, with key decision-makers no longer present. This legacy approach misses opportunities to adopt proven practices like leasing, centralised oversight, and telematics-driven management.

For each category Blue Zoo have made recommendation for the City of Cockburn to reduce its associated risk ratings.

City officers have made comments on each recommendation and detailed timelines, responsible officer, financial implication and business unit accountability for each.

Two recommendations (Risk Management & Policy Currency and Operational Guidelines) can be completed within existing resources and budget allocations.

The remaining four recommendations will require operational funding or a reduction in services to implement.

Strategic Plans/Policy Implications

Listening and Leading
A community focused, sustainable, accountable, and progressive organisation.
• Best practice Governance, partnerships and value for money.

Budget/Financial Implications

There are four categories requiring a total of $600,000 to deliver the associated recommendations from the audit.

It is proposed to include the required operational expenditure or service level adjustments to deliver the works when preparing the 2026/27 Municipal Annual Budget and FY27 Service Plans.

The audit findings are to be amended post Council's decision.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is a medium to high level of operational and financial risk associated with the City's fleet if the report is not adopted by the Audit, Risk and Improvement Committee.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

FLEET MANAGEMENT AUDIT



City of Cockburn & City of Kwinana

Internal Audit Report

June 2025

Prepared by: Blue Zoo Advisory Ltd

Endorsed by:

City of Cockburn

City of Kwinana

bluezoo

Contents

1 Executive Summary 3
Objective 3
Conclusion 3
Summary Notes 4
2 Audit Background and Scope 6
Activity Overview 6
Audit Overview 6
Statement of Assurance 8
3 Detailed Findings 9
3.1 Risk Management 9
3.2 Policy Currency and Operational Guidance 13
3.3 Lifecycle Planning and Data Integration 17
3.4 Maintenance Scheduling and Downtime Tracking 20
3.5 KPI Monitoring and Performance Oversight 23
3.6 Operating Model 25
Appendix A: Maturity Assessment 28

1 Executive Summary

Objective

The objective of this audit was to review the adequacy of the management control framework and related risk management strategies for the fleet management function, including processes relating to the planning, organising, controlling, directing, communicating, and management of vehicle assets.

Conclusion

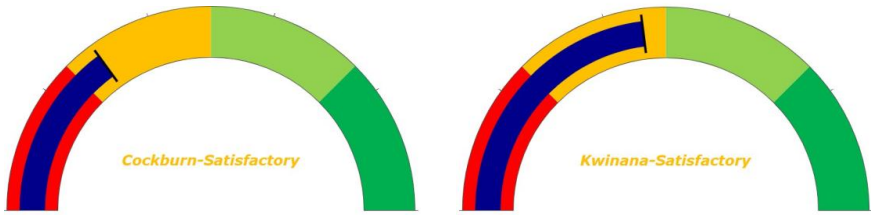
The audit recognises that both the City of Cockburn and the City of Kwinana have established operational processes to support their fleet functions, and there is clear intent to manage assets responsibly and deliver essential services effectively. A key opportunity for both Cities lies in strengthening the role of risk management, not as a periodic or isolated exercise, but as a consistent, embedded part of daily fleet operations.

While some risk assessment activities have been undertaken, they are not fully integrated into operational decision-making or service planning. Establishing and maintaining fleet-specific risk registers, clearly articulating risk appetite, and assigning control ownership will support a shift toward proactive risk governance. This approach will enhance operational resilience, improve accountability, and enable both Cities to anticipate better and respond to issues such as safety risks, compliance changes, and asset underperformance.

Cockburn and Kwinana can transition toward a more mature, forward-looking model by embedding risk practices into routine fleet management, alongside policy updates, data-driven planning, and performance monitoring. This will strengthen internal controls and support long-term efficiency, safety, and value for money across their fleet operations.

Fleet Maturity Assessment Report Attached Separately for Cockburn and Kwinana

Control Rating



Control Rating	Description
Comprehensive	*Comprehensive, effective controls are fully in place to manage the risk.* *Regular monitoring, review and/or testing is undertaken* *There is limited value in improving the controls.*
Adequate	*Sufficiently effective controls are substantially in place to manage the risk.* *Periodic monitoring, review and/or testing is undertaken* *Some minor improvements to the controls should be considered*
Satisfactory	*Controls are only partially effective and/or partially in place to manage the risk.* *Some limited monitoring, review and/or testing is undertaken* *Improvement opportunities to controls should be implemented*
Unsatisfactory	*Controls are either non-existent, not in place or not effective to manage the risk* *No or very limited monitoring, review and/or testing is undertaken* *There is significant value in corrective and/or improvement actions*

Summary Notes

Risk rating shows the total number of High, Medium, and Low risks identified for the City of Cockburn and the City of Kwinana. High risks reflect issues requiring urgent attention, Medium risks require timely management, and Low risks represent minor issues or improvement opportunities. This overview provides a clear picture of each city's overall risk profile and areas requiring prioritised action

City of Cockburn

High(H)	Medium(M)	Low (L)
1	3	2

City of Kwinana

High(H)	Medium(M)	Low (L)
0	1	5

Finding	Risk Rating (Cockburn)	City of Cockburn	Risk Rating (Kwinana)	City of Kwinana
Risk Management	**High**	The City of Cockburn lacks effective risk management practices for fleet operations. Cockburn has no structured approach to identifying or managing fleet risks, with only one risk documented and no ongoing reviews.	**Medium**	The City of Kwinana would benefit from more effective risk management practices for fleet operations. Kwinana's 2020 fleet risk assessment has remained unreviewed since 2022 and is not integrated into operational practices, reflecting a reactive and low-maturity approach to fleet risk governance.
Policy Currency and Operational Guidance	**Medium**	Cockburn's fleet policies lack strategic direction and remain outdated, based on legacy arrangements. There is a need to shift thinking from fleet as a tactical task to a high-value, high-risk strategic resource. Introducing strategic principles covering alignment, safety, cost, sustainability, and data use will streamline policy development and ensure better outcomes with minimal effort and significant impact.	**Low**	Kwinana lacks a formal, Council adopted Fleet Management Plan, instead relying on an internal Human Resources Policy (with respect to light fleet vehicles), informal depot procedures and HR policies. The City would benefit from a comprehensive, updated policy framework to align with current operational practices and strengthen risk controls. Establishing clear strategic principles would provide structure, improve accountability, and support more effective, sustainable, and safe fleet operation.
Lifecycle Planning and Data Integration	**Medium**	Cockburn manages its fleet under ownership-based models; processes remain manual and fragmented. Cockburn uses a dedicated system but lacks integration for disposal and lifecycle justification.	**Low**	Kwinana manage its fleet under ownership-based models, and processes remain manual and fragmented. Kwinana relies on spreadsheets with limited forecasting capability. Improved digital tools and standardised lifecycle triggers should be considered.

Finding	Risk Rating (Cockburn)	City of Cockburn	Risk Rating (Kwinana)	City of Kwinana
Maintenance Scheduling and Downtime Tracking	**Medium**	Maintenance at Cockburn lacks depth in scheduling and reporting, relying on a single trigger and not tracking downtime. Servicing is based on time rather than kilometres or engine hours, which limits efficiency. Improved maintenance planning through data analytics and the adoption of telematics would enhance reliability, enable kilometre-based servicing, support utilisation and rotation, and address key risks such as driver behaviour.	**Low**	Kwinana uses work orders but does not formally record downtime or conduct structured safety checks. Servicing is based on time rather than kilometres or engine hours, which limits efficiency. Improved maintenance planning is recommended through data analytics and the adoption of telematics, resulting in enhanced reliability, enabling kilometre-based servicing, supporting utilisation and rotation, and addressing key risks such as driver behaviour.
KPI Monitoring and Performance Oversight	**Low**	Cockburn's fleet KPIs have not been updated since 2016. This limits the ability to track performance, efficiency, and value. Establishing relevant, measurable KPIs would support better oversight and continuous improvement.	**Low**	Kwinana does not use formal KPIs. This limits the ability to track performance, efficiency, and value. Recommend establishing relevant, measurable KPIs that support better oversight and continuous improvement.
Operating Model	**Low**	Cockburn uses an ownership-based fleet model where the city manages vehicle use, maintenance, and replacements. However, the model lacks a formal framework and periodic review, with key decision-makers no longer present. This legacy approach misses opportunities to adopt proven practices like leasing, centralised oversight, and telematics-driven management.	**Low**	Kwinana operates an ownership-based fleet model, with the city managing its vehicles. A formal operating framework and systematic review are absent, reflecting a legacy arrangement not critically reassessed. The current model lacks benchmarking against best practices such as leasing, centralised oversight, and telematics integration for improved cost control.

2 Audit Background and Scope

Activity Overview

Under the respective provisions of the Local Government Act 1995 and internal governance frameworks, the Chief Executive Officers of the City of Cockburn and the City of Kwinana are responsible for ensuring the establishment and maintenance of effective internal audit functions. These functions are integral to promoting sound governance, effective risk management, and robust internal control environments within each local government.

To support these objectives, internal audit service providers were engaged to deliver services in accordance with the City of Cockburn Internal Audit Plan and the City of Kwinana Internal Audit Plan. A key component of these audit plans is the conduct of targeted reviews across high-risk and high-value operational areas to provide independent assurance to management and the Audit and Risk Committees.

One such review undertaken under both audit plans is the Fleet Management Audit. Both Cities have made substantial investments in their fleet assets, and significant resources are allocated to the operation and maintenance of these assets to ensure they meet the service delivery needs of the organisation. This audit was designed to independently assess the efficiency and effectiveness of each City's current fleet management model, focusing on strategic planning, asset utilisation, maintenance practices, lifecycle management, and alignment with business needs.

The objective of the audit was to evaluate the adequacy of the governance structures, policies, and operational practices in place for managing fleet assets. The audit also aimed to identify opportunities for improved efficiency, cost-effectiveness, and risk mitigation, ensuring that the Cities are maximising value from their fleet investments while supporting sustainable service delivery.

Audit Overview

1. Scope

The scope of the audit was to assess the adequacy of the management control framework and related risk management strategies for the fleet management function. This included a review of processes related to the planning, organising, controlling, directing, communicating, and management of vehicle assets.

Additionally, the audit reviewed the extent to which policies, procedures, guidelines, and processes complied with applicable laws and regulations governing fleet management. It focused on assessing compliance and the effectiveness of internal controls supporting the function.

The audit also evaluated the effectiveness of the operating model by identifying activities that were outsourced versus those conducted in-house, and whether these arrangements provided value for money.

The scope included a review of relevant policies, procedures, workshop and supporting documentation, as well as data analysis and stakeholder interviews.

2. Methodology

This audit was conducted using the following Methodology:

Planning Phase

- Conduct internal planning to finalise scope, identify key stakeholders, documents, and any engagement constraints; and
- Hold an entry meeting with both Cities to confirm objectives, scope, timelines, and key contacts.

Fieldwork Phase

- Collect and review initial documentation including policies, registers, risk frameworks, and supporting data;
- Evaluate fleet-related risk appetite and overall risk management frameworks;
- Review fleet management and HR policies for alignment with legislative requirements and good practice;
- Assess fleet asset registers and maintenance records for completeness, accuracy, and compliance;
- Analyse governance and control processes for fuel cards and other fleet consumables;
- Facilitate a Business Model workshop to assess current and desired fleet service delivery models;
- Perform sample testing and data analytics to evaluate utilisation, maintenance trends, fuel efficiency, and cost-effectiveness; and
- Conduct FLEETassess maturity assessments via the Governance Manager tool to evaluate governance, operations, and compliance.

Playback Phase

- Host a Playback session with stakeholders to validate initial findings and clarify any outstanding issues.

Reporting Phase

- Prepare a draft report outlining key findings, risks, and actionable recommendations;
- Undertake an internal quality review of the draft report prior to sharing it with both Cities for feedback;
- Finalise and issue the audit report, incorporating management responses and city-specific appendices where required; and
- Present findings to the relevant Audit Committees and conduct an Exit Meeting with key stakeholders.

Criteria

Our audit was be aligned with:

- Relevant legislation and regulations related to fleet management;
- The Cities' own fleet management policies, procedures, and operating models;
- Risk frameworks, including risk appetite and treatment strategies;
- Good practice guidelines for asset management, procurement, and vehicle use;
- HR policies related to fleet operations (e.g. licensing, private use, driver responsibilities);
- Governance Manager's FLEETassess maturity model for assessing fleet governance, compliance, and performance; and

Audit Overview

- Key performance indicators (KPIs) used by the Cities to monitor fleet efficiency, safety, and cost-effectiveness.

Period

The audit did not establish a period for examination. It examined the current status of the audit items.

The review was conducted by Blue Zoo Advisory between March to June 2025. The Blue Zoo team comprised:

- Cassandra Ahearne, Subject Matter Expert;
- Derek Shellabear, Principal Advisor;
- Kimil Timilsina, Senior Advisor; and
- Pat Scally, Quality Assurance.

Blue Zoo Advisory gratefully acknowledges the valuable support and contributions of the staff from the City of Cockburn and the City of Kwinana. Their assistance in providing documentation, coordinating interviews, and supporting access to relevant systems was instrumental in the successful completion of the review.

Statement of Assurance

This Audit has been conducted in accordance with the 'International Standards for the Professional Practice of Internal Auditing' contained in the 'International Professional Practices Framework' issued by the Institute of Internal Auditors. In our professional judgement, sufficient and appropriate audit procedures were completed, and appropriate evidence gathered, to support the accuracy of the conclusions reached and contained in this report.

3 Detailed Findings

3.1 Risk Management

City of Cockburn

The City of Cockburn currently lacks a structured and systematic approach to managing risks associated with its fleet operations, which represent a significant asset base valued at approximately $28 million. In 2024, the City decommissioned its Risk Management & Safety System (RMSS), which had been in place since 2015 to facilitate the identification, monitoring, and management of both operational and strategic risks. As of the time of the review, The City is using Microsoft *SharePoint* as an interim platform for maintaining its risk register and WHS incident management system. These interim processes are manual and require a longer-term solution. The City is now licensed to use *Skefto*, a cloud-based online solution catering for both WHS incident management and as a long-term risk management solution. While implementation and configuration of *Skefto* is undertaken initially for WHS, followed by enterprise risk management, *SharePoint* continues to be used. .

During stakeholder discussions and workshops, it was noted that the City had only one risk item documented in its corporate risk register relating to fleet operations. Furthermore, there was no evidence of a dedicated or standalone fleet risk register, and no proactive process in place for the identification, assessment, and review of risks associated with the acquisition, operation, maintenance, or disposal of fleet assets.

This demonstrates a low level of maturity in fleet risk governance and a reactive approach to risk rather than an embedded and continuous risk management function. The City's current Fleet management plan does not address driver behaviour, which is a significant oversight given its impact on operational safety and risk exposure. This lack of structure is further underscored by recent year-end data from LGIS, which shows a steady increase in motor vehicle claims involving the City's fleet, now "averaging over three per month". Cockburn is currently exceeding its peer local governments in most accident categories, with particularly concerning trends in 'Failed to Stop' incidents and a noticeable rise in 'Found Damaged' cases, which are typically low across the sector. These patterns, in the absence of formal risk analysis or mitigation strategies, highlight systemic gaps in fleet oversight and reinforce the need for stronger governance and accountability mechanisms.

The City's Fleet & Plant Asset Management Plan (2020–2024) does outline lifecycle management strategies; however, it does not include a risk framework, mitigation measures, or control activities tailored to address emerging or ongoing risks across the fleet lifecycle. Notably, no risk appetite or tolerance thresholds specific to fleet operations have been defined or communicated across the organisation.

Given the City's ongoing urban development and increasing reliance on fleet assets to deliver services, the absence of a robust risk management framework poses a significant operational and financial risk. Without appropriate processes and controls in place, the city may be exposed to unanticipated fleet failures, non-compliance with safety and environmental standards, inefficiencies in asset utilisation, and increased total cost of ownership.

Implication and Risk

Risk: High

The absence of recent and active risk assessments limits the City's ability to identify, manage, or mitigate operational and compliance risks related to fleet assets. Without structured updates and monitoring, the city risks overlooking emerging issues such as safety gaps, asset misuse, or non-compliance with legislative changes.

Recommendation(R1)

It is recommended that the City of Cockburn:

- Establish a fleet risk register aligned with the City's risk assessment matrix.
- Conduct a full fleet risk assessment that reflects current operational conditions and includes a broader range of risks, such as financial, operational and compliance risks, with input from operational staff and clear assignment of control owners; and
- Rebuild risk monitoring capability post-RMSS.

Management comments (City of Cockburn)

The City prefers to continue an enterprise risk management framework, which integrates all its operations and services under one risk management register. Standalone risk registers are not appropriate, as risk management needs to be managed at corporate level and holistically. Once a cloud-based online solution is implemented, catering for both WHS incident management and as a long-term risk management solution, team based risks assessments will be undertaken to ensure operational risk is updated and captured.

A fleet risk register will be developed in conjunction with the upcoming review of the City's Fleet Asset Management Plan (AMP). The City's Asset's Management team will lead the development of the AMP with support from the Fleet team.

The risk register will likely be initially developed using Microsoft Excel/Word, with the intention of importing into a future Safety/Risk Tracking System (replacement for RMSS) and/or a Fleet Management System (once procured).

Completion Date	December 2025
Responsible Officer	Group Manager Parks, Fleet and Waste
Financial Implication	Internal cost
Business Unit	Parks Fleet Waste

City of Kwinana

The City of Kwinana's risk management practices for fleet operations show only partial alignment with its overarching Risk Management Strategy and the AS ISO 31000:2018 standard. A fleet-specific risk assessment was undertaken in 2020 and reviewed in 2022 through a workshop; however, there is no documented evidence of ongoing review, monitoring, or updates. This indicates a shortfall in the application of continuous improvement principles required by the Strategy.

The 2022 workshop focused primarily on safety-related risks, resulting in a narrow assessment scope. Other key risk categories identified in the Strategy such as Financial, ICT/Infrastructure/Assets, Legislative Compliance, Environmental, Reputation/Image, and Service Delivery were not adequately considered. For instance, the assessment did not address risks related to vehicle downtime, fleet obsolescence,

regulatory compliance, or environmental impacts. Consequently, significant operational and strategic exposures may remain unmitigated.

Fleet risk management remains a largely siloed activity. There is no documented evidence of risk mitigation measures being integrated into day-to-day fleet operations. Key processes such as vehicle maintenance scheduling, driver behaviour monitoring, and training programmes are not formally linked to risk control strategies. The City has not adopted key fleet-specific controls such as telematics systems, GPS-based driver behaviour monitoring, or predictive maintenance tools, which are increasingly used by organisations to enhance safety, efficiency, and oversight.

In addition, there are no contingency or business continuity plans in place for significant fleet-related incidents, such as widespread vehicle failures or major accidents, which pose a risk to service continuity. Reporting of fleet-related risks to the Audit and Risk Committee does not occur, and such risks are not reflected in strategic documents such as the City's Strategic Community Plan or Corporate Business Plan. This lack of integration limits visibility of fleet risks at the executive and governance levels and may hinder alignment with broader organisational objectives, such as transitioning to a low-emissions fleet or improving operational resilience.

Implication and Risk

Risk: Medium

The City's current approach limits its ability to proactively identify, manage, and mitigate fleet-related risks. This may lead to increased exposure to service disruptions, financial losses, regulatory non-compliance, and reputational harm. Without a structured and integrated approach, the City may also miss opportunities to modernise its fleet, enhance operational efficiency, and support long-term sustainability goals.

Recommendation(R1)

It is recommended that the City of Kwinana:

- Refresh the 2022 fleet risk assessment to reflect current operational conditions and ensure it addresses a broader range of risk categories beyond safety, including financial, operational, compliance, environmental, and reputational risks.
- Integrate the outcomes of the updated assessment into daily fleet management activities by implementing defined mitigation measures, assigning responsibilities, and embedding controls such as telematics and maintenance triggers.
- Establish a process for conducting annual fleet risk reviews, with treatment actions linked to Work Health and Safety (WHS), asset management, and service delivery planning.

Management comments (City of Kwinana)

The City acknowledges the importance of ongoing risk management across fleet operations, and continues to undertake regular, plant-specific risk assessments in accordance with its WHS obligations. The WHS Committee reviews and documents overall risks associated with plant and equipment to ensure a safe working environment. Based on Australia's KSI statistics, the risk of a serious incident is considered remote for the City's standard trip profile, and is further mitigated through adherence to Australian Standards, the Road Traffic Code, and a policy requiring vehicles to achieve a 5-star safety rating.

For legislative compliance, the City typically procures off-the-shelf fleet assets, with any non-standard modifications subject to risk assessment. Individual users remain responsible for compliance with relevant road safety legislation, further supported by the City's drug and alcohol policy, which forms part of broader safety management. In addition, the City has implemented its complaints procedure. If a complaint is received regarding road safety, it will be addressed accordingly. Reputation risks are managed via a standardised fleet policy, business case requirements for new plant items, and the installation of dash cameras in all vehicles. These measures, alongside established management practices and public accountability, ensure that the uncontrolled risk remains low. Service delivery risks are also viewed as low. The City's fleet is relatively small, consisting mainly of generic vehicles and equipment that can be readily replaced by contractors or hire arrangements if necessary. Past experiences indicate that the temporary loss of fleet assets has not adversely impacted service levels. For specialised equipment, such as the patching truck, temporary solutions are available to maintain service continuity until a replacement is sourced. The City notes that the Local Business Continuity Plan – Operations outlines recovery priorities and strategies for maintaining services if the City cannot provide them, including when fleet equipment is unavailable. The City supports regular fleet risk assessments, daily checks, and logbook servicing as standard practice. However, further documentation may offer limited additional value, given the fleet's modest size and straightforward operational requirements. The City's current GPS policy does not permit monitoring of driver behaviour, as the expected benefits do not outweigh the costs and operational complexity, particularly considering the small fleet size. Driver behaviour is primarily a matter for State regulation, though the WHS Committee continues to review incident patterns for opportunities to improve safety. In summary, the City remains committed to a proportionate and practical approach to fleet risk management, the City believes that its current identified risk assessments incorporate fleet management, the following risk items have been identified within the Organisation risk register – OR30 - Fraud, scams and contractor collusion. Consequence - financial loss. Legal prosecution. Crime and Corruption – External, OR79 - Engaging contractors with history of poor performance with the City or publicly known performance or legal issues. focusing on controls that are both effective and appropriate for its operational context, while ensuring ongoing compliance and safety. Therefore, no action required.	
Completion Date	N/A
Responsible Officer	Manager Operation and Director City Infrastructure
Business Unit	City Operations

3.2 Policy Currency and Operational Guidance

City of Cockburn

The City of Cockburn's Fleet and Asset Management Plan (2020–2024) and associated vehicle usage policy HRM GL502.1 are both overdue for review and require updating to ensure continued alignment with current fleet management practices, operational risks, and compliance expectations. The Plan outlines the City's intent to optimise lifecycle costs, align fleet decisions with service needs, and review utilisation across business units. However, it notes that *"future policies are required to refine areas such as vehicle allocation, usage entitlements, and fuel card management,"* which have not been actioned since the plan's approval. This limits its effectiveness as a strategic governance document.

An overarching framework describing the role and objectives of the fleet will re-frame and elevate the fleet to reflect the significance of the role, cost and risk of the fleet in delivering the City's strategic objectives.

The lack of clear principles, policy framework, and active management leaves a guidance vacuum for staff (whether directly involved in management of the fleet or drivers more generally), with behaviour and culture being driven by individuals (bottom up) rather than strategically influenced from the top down. This approach is exemplified by the LGIS report, which highlights a steady increase in fleet crashes averaging over three per month, indicating systemic issues that are not being addressed through existing policies.

Similarly, HRM GL502.1, last updated in July 2020 with a scheduled review in July 2021, continues to reflect legacy arrangements, such as a $174 per fortnight charge for 6-cylinder vehicles, which currently applies to only four individuals under grandfathered provisions. These policies address key areas such as vehicle usage categories (e.g., unrestricted private, purchased private, restricted private, commuter use), employee responsibilities, pool vehicle booking systems, incident and damage reporting, and occupational health and safety compliance. However, their limited scope and outdated content increase the risk of inconsistent vehicle usage controls, policy misalignment, and operational exposure.

Given this, the City should either formally obsolete the grandfathered provisions or comprehensively update the policies and plan to reflect contemporary fleet management practices, compliance standards, and risk controls. If it is necessary to maintain private use privileges for these four individuals, the City should issue a separate, formal memo documenting this exception and explicitly reference it within the updated policy to ensure transparency and sound governance. Failure to address these issues risks inconsistent vehicle usage controls, policy misalignment, and increased operational exposure.

Implication and Risk

Risk: Medium

Outdated or fragmented fleet policy frameworks may lead to inconsistent vehicle usage practices, unclear employee entitlements, and weakened compliance with procurement and asset management requirements. Over time, these deficiencies increase the risk of operational inefficiencies, heightened exposure to liability, poor staff behaviour, and potential disputes among staff, which could undermine effective fleet governance and asset utilisation.

Recommendation(R2)

It is recommended that the City of Cockburn:

- Create fleet management principles to drive development of new fleet-related policies and procedures.
- Fully review, update, and consolidate all fleet-related policies and procedures into a comprehensive and up-to-date Fleet Management.
- Ensure driver behaviour is captured in policy and procedures in a manner that supports consistency with fleet principles as well as related policy and procedures.
- Remove or formally retire outdated provisions, such as grandfathered private use clauses, ensuring alignment with current operational, compliance, and risk management requirements.
- Obtain formal endorsement of all updated policies from appropriate governance bodies and implement a clear communication plan to inform relevant staff.

Management comments (City of Cockburn)

The City recognises the importance of establishing clear and contemporary fleet management policies and procedures. This will be approached collaboratively, with People Experience taking the lead in developing fleet management principles that align with organisational values and workforce expectations.

The review and consolidation of existing fleet-related policies will be undertaken jointly with operational teams to ensure relevance, clarity, and consistency. Particular attention will be given to embedding driver behaviour standards that reflect both fleet principles and broader HR policies.

Outdated provisions, including grandfathered private use clauses, will be formally retired to ensure alignment with current compliance and risk management requirements. All updated policies will be endorsed through appropriate governance channels, supported by a communication plan to ensure staff awareness and engagement.

Completion Date	February 2026
Responsible Officer	Group Manager Parks, Fleet and Waste, and Group Manager People and Organisational Performance
Financial Implication	Internal cost
Business Unit	Parks Fleet Waste

The City of Kwinana currently does not have a formal council adopted Fleet Management Policy or overarching Plan to guide its fleet operations strategically. Instead, fleet-related activities are managed through in internal Human Resources Policy(relating solely to City light fleet vehicles) and a collection of separate documents and work instructions. These include the Vehicle Allocation Authorisation Form and operational guidelines for dash cam usage, small plant replacement, paint and panel damage, and disposal of fleet plant and machinery.

While these documents provide some level of direction, they are largely operational in focus and lack integration under a broader policy framework. Procurement of fleet vehicles is managed through the City's general Procurement Policy, with light vehicles specifically sourced via the WA Government's Common Use Arrangement (CUA), which supports standardised and cost-effective procurement. The day-to-day management of vehicles is overseen through the HR City Vehicle Policy, which outlines processes for acquiring vehicles, allocating vehicle allowances, and defining staff responsibilities. It also includes conditions for booking pool vehicles during work hours and provisions for the suspension or termination of vehicle access if an officer exits the organisation. In September 2024, the City initiated a review of its workshop practices and fleet processes through a facilitated session with IPWEA Fleet, focusing on operational improvements and staff capability. However, despite these efforts, there is no policy in place that addresses driver behaviour, including expectations around safe and responsible vehicle use an essential component of modern fleet risk management. More broadly, the absence of a consolidated, strategic Fleet Management Plan has resulted in fragmented governance and limited alignment between fleet management and organisational objectives. This gap increases the risk of inconsistent practices, reduced accountability, and missed opportunities to optimise fleet performance, manage lifecycle costs, and respond effectively to compliance and safety expectations.

Implication and Risk

Risk: Low

The lack of an integrated and strategic fleet management framework, including the absence of a driver behaviour policy, exposes the City to operational inefficiencies, increased risks, inconsistent practices, and higher lifecycle and compliance costs.

Recommendation(R2)

It is recommended that the City of Kwinana:

- Develop and approve a formal Fleet Management Plan that integrates depot procedures, HR policies, procurement practices, and operational guidelines to ensure cohesive management across all fleet activities;
- Clearly define and document roles, responsibilities, servicing schedules, and access controls within the plan to strengthen governance, improve accountability, and promote consistent and effective fleet operations.

Management comments (City of Kwinana)

Partially Agree.

While the City lacks a Council policy, it has the 'Human Resources – Internal Policy City Vehicles - acquisition, allocation, allowance and use of City Vehicles'. This reflects the fact that fleet management is operational in nature and not appropriate for Council involvement.

The City has a very small fleet, with the light fleet managed in accordance with a policy, and new plant and heavy plant subject to a business case (as is replacement of some plant items, such as the loader and 6-wheeler). Service scheduling is in accordance with manufacturers' recommendations. Procurement is overseen independently to the specific task of fleet acquisition. The specific relevant to fleet, however, are documented in the policy. Replacement is documented within the plant replacement schedule and is supported by a model. However, the team agree that a fleet plan that collates existing policies and approaches, and documents such things as frequency of reviewing changeover frequency, light vehicle hiring and similar, is beneficial.	
Completion Date	August 2026
Responsible Officer	Andrew Fisher
Business Unit	City Operations

3.3 Lifecycle Planning and Data Integration

City of Cockburn

Cockburn's fleet comprises approximately 600 vehicles and equipment, including sedans and wagons, trailers and caravans, loaders and backhoes, tractors and ride-on mowers, buses and ATVs. This also includes a substantial collection of minor plant and machinery.

The City manages its fleet lifecycle using a dedicated system that tracks asset details and maintenance activities. While grant-funded vehicles, such as those provided by DFES, are recorded in the fleet register, they are not subject to the City's internal procurement or operational management processes. These vehicles remain under the control of DFES, and the City has no operational authority over them. To avoid confusion and ensure clarity in financial reporting, the fleet register should explicitly identify DFES-controlled assets and note that they do not have a financial impact on the City's accounts.

For other replacements, procurement processes are followed in line with internal procedures and policy requirements. However, record keeping does not capture disposal or write-off dates, and disposal processes are still handled manually. The city disposes of assets through Pickles Auctions and has adopted a 10-year replacement plan; however, given the diverse nature of the fleet, including a mix of light vehicles, heavy plant, and specialised equipment, this uniform timeframe may not be appropriate for all asset types. Replacement planning remains largely manual and reliant on staff review and approvals, which may limit consistency and responsiveness across different fleet categories.

Furthermore, to support sustainability objectives and improve long-term cost efficiency, the City should also consider incorporating electric vehicles (EVs) within its fleet lifecycle planning. Integrating EVs into procurement and replacement strategies will not only reduce environmental impact by lowering greenhouse gas emissions but also align with evolving industry standards and community expectations for sustainability.

Implication and Risk

Risk: Medium

The reliance on manual record-keeping and fragmented systems for tracking fleet assets and disposals increases the risk of inaccurate or incomplete data, which can undermine effective asset management and capital planning. Without formalised and regularly reviewed operating models, responsibilities for asset control, maintenance, and replacement may lack clarity and consistency. This can lead to delayed or unjustified asset replacements, inefficient use of resources, and potential safety or compliance issues. Furthermore, as the City's fleets grow or diversify, existing manual processes and tools may become inadequate, increasing the likelihood of operational inefficiencies and higher lifecycle costs.

Recommendation (R3)

It is recommended that the City of Cockburn:

- Undertake a feasibility exercise of installing telemetry devices in some or all of the fleet (or other digital solutions to deliver desired lifecycle management outcomes).



- Implement an integrated fleet management system with full lifecycle capability, including disposal tracking and asset justification workflows.
- Conduct a review of fleet assets that have exceeded their replacement thresholds to document justification for retention or initiate disposal; and
- Investigate incorporating electric vehicles into its fleet replacement strategy, prioritising sustainability and cost-efficiency.

Management comments (City of Cockburn)	
The City supports the recommendation to strengthen lifecycle planning and data integration across fleet operations. The Fleet Asset Management Plan (AMP) will serve as the strategic foundation for lifecycle decision-making, setting direction for asset replacement, sustainability targets, and operational efficiency. Implementation of the AMP will be supported by a combination of tools and systems, including spreadsheets, TechnologyOne, and other digital platforms, to ensure accurate tracking of asset performance, disposal, and justification workflows. A review of fleet assets that have exceeded replacement thresholds will be conducted to document retention justifications or initiate disposal. The City will also explore the integration of electric/alternative fuel vehicles into the fleet replacement strategy, aligning with sustainability and cost-efficiency objectives.	
Completion Date	March 2026
Responsible Officer	Group Manager Parks, Fleet and Waste
Financial Implication	$150K approx.
Business Unit	Parks Fleet Waste

City of Kwinana

The City of Kwinana's fleet consists of approximately 250 vehicles and equipment spanning light vehicles, trucks, trailers, and various plant assets that support operational and service delivery functions. Fleet and maintenance registers are maintained using spreadsheets, which, while cost-effective, rely heavily on manual data entry and management. The City follows established procurement policies, including use of Common Use Arrangement (CUA) contracts for light vehicles and disposes of assets through Pickles Auctions, demonstrating compliance with approved procurement and disposal processes.

The City has a Master Fleet and Plant Replacement Program and has recently engaged in workshops to enhance the fleet business model, reflecting proactive efforts to improve governance and operational planning. However, the continued dependence on manual and fragmented record-keeping systems presents risks as the fleet grows or diversifies. Without automated or integrated systems to capture real-time asset condition and maintenance data, there is limited visibility to enable timely and optimised replacement decisions. Additionally, the absence of a formal, documented operating model with clearly defined roles and responsibilities for asset control, maintenance oversight, and renewal planning may lead to inconsistent practices across the organisation.

Implication and Risk

The reliance on manual, spreadsheet-based fleet management and the lack of a formal operating model increase the risk of data inaccuracies, inconsistent asset oversight, and delayed maintenance or replacement decisions. This limits the City's ability to optimise fleet performance, manage costs effectively, and ensure continuity of service as the fleet expands or changes.

Recommendation (R3)

It is recommended that the City of Kwinana:

- Enhance existing spreadsheet-based tools with predictive features (e.g., condition-based triggers or cost modelling) to support timely vehicle replacement decisions.
- Expand fleet registers to include all major plant and equipment, ensuring condition assessments and servicing history are incorporated into renewal planning; and
- Explore phased implementation of a digital fleet system to reduce reliance on manual records and improve asset visibility.

Management comments (City of Kwinana)

The language exaggerates the size of the City's fleet, with minor plant, such as whipper snipers and blower vacs included in the list. The replacement schedule is based on a model and experience. The replacement program is commonly adjusted to account for condition or reliability experience. With a very small fleet, this is easily managed through the informal process.

It is possible that the City's fleet will grow in the the future, and it might be that this level of sophistication is needed. For now, the existing capacity in the system to discuss an individual plant item, and physically sight the item, when making a decision is considered appropriate and cost effective. The City's fleet is not so large that it is necessary to run a complicated model to understand the reliability of the fleet or need to bring forward of push bask replacement.

Also note that the City's ERP capture service and other cost data, which is the basis off the model that supports the current replacement program.

At this stage no further action required in relation to these recommendations.

Completion Date	No action required
Responsible Officer	Manager Operations and Director City Infrastructure
Business Unit	City Operations

3.4 Maintenance Scheduling and Downtime Tracking

City of Cockburn

The City of Cockburn does not systematically record trip and fuel usage data for its vehicles, lacking comprehensive GPS reports or logbook records for monitoring vehicle utilisation. There is no analysis of pool vehicle usage efficiency, and vehicle downtime is not tracked or recorded.

Fuel consumption monitoring relies mainly on BP fuel reports combined with manual verification via fuel cards, without detailed fuel-efficiency analysis. GPS tracking is used only sporadically, and the vehicle booking system may suffer from poor management, resulting in staff misuse and operational inefficiencies.

Maintenance management through the TechnologyOne system is constrained by a single maintenance trigger, limiting flexibility. Spare parts inventory is managed reactively without systematic stock tracking, which may lead to unnecessary downtime. Data collection is fragmented across multiple systems with no centralised platform, hindering effective reporting, performance analysis, and fleet planning.

This results in minimal use of data analytics and telematics, limiting the ability to identify risk trends and optimise fleet operations.

Implication and Risk

Risk: Medium

Inadequate data capture and fragmented systems reduce the City's ability to monitor fleet usage, detect inefficiencies or misuse, and make informed decisions on fleet performance, leading to increased operational costs and missed opportunities for optimisation.

Recommendation (R4)

It is recommended that the City of Cockburn:

- Undertake a feasibility exercise of installing telemetry devices in some or all of the fleet (or other digital solutions to deliver desired maintenance scheduling and downtime tracking outcomes).

Management comments (City of Cockburn)

The City supports the recommendation to enhance maintenance scheduling and downtime tracking through digital solutions. As part of this commitment, the City will scope a procurement document for a fleet management system that supports telemetry integration and maintenance planning.

Subject to budget allocation, the system is planned to be implemented by October 2026. This will enable improved visibility of fleet performance, proactive maintenance scheduling, and reduced operational downtime.

The system will be selected to align with broader fleet lifecycle and asset management objectives, and will integrate with existing platforms where appropriate

Completion Date	October 2026
Responsible Officer	Group Manager Parks, Fleet and Waste
Financial Implication	$150K approx.
Business Unit	Parks Fleet Waste

City of Kwinana

In the City of Kwinana, formal reporting of fuel usage is absent, with fuel cards having set access limits controlling fuel type and usage. While GPS systems record trip data, this is not configured nor is it required for routine monitoring. Pool vehicles used for operational purposes have some usage records, but other pool vehicles lack usage statistics altogether.

Maintenance records exist for selected vehicles, though some new vehicles have yet to reach service milestones. Vehicle safety checks occur during routine servicing, with work requests converted to work orders, but formal reporting on safety checks and downtime is not performed.

Fuel consumption tracking is limited to fuel reports without fuel-efficiency analytics, which is deemed unnecessary by management given manual oversight and a relatively small fleet size.

Implication and Risk

Risk: Low

Limited monitoring weakens oversight, creates a risk of inefficiency or misuse, and limits evidence-based fleet optimisation.

Recommendation (R4)

It is recommended that the City of Kwinana:

- Utilise existing unused systems and data capability to support effective and efficient management of the fleet.
- Explore scalable digital fleet solutions if the fleet size or operational complexity increases, to future-proof management capabilities.

Management comments (City of Kwinana)

The City's GPS policy does not allow the City to use GPS data for monitoring staff. The purpose of the GPS is to find vehicles (working alone control) and to update record of travelled km for service scheduling (this is instead of using fuel reports, which also provide this data). GPS data can only be used to monitor a driver, with the permission of the driver. The recommendation at this stage will not be actioned in accordance due to the City's current policies and procedures.

The City's fleet is not so large that route planning will have a material impact on cost. In addition, the City's approach to managing its operations means that this type of planning is better done as part of work planning (i.e. the order that parks are mowed, or restricting pothole repairs to a suburb), which can be undertaken without GPS or even consideration of the fleet.

Completion Date	No action required
Responsible Officer	Manager Operations and Director City Infrastructure
Business Unit	City Operations

3.5 KPI Monitoring and Performance Oversight

City of Cockburn

Cockburn last formally reviewed its fleet-related Key Performance Indicators (KPIs) under a Balanced Scorecard framework in 2016. Since then, there has been no systematic update or reassessment of these KPIs to reflect changes in fleet composition, usage patterns, operational risks, or strategic objectives. As such, the current framework may not be aligned with modern fleet management expectations or sustainability goals (e.g. utilisation efficiency, emissions reduction, cost per kilometre, or downtime reduction).

Implication and Risk

Risk: Low

The lack of a current and structured KPI monitoring process presents several risks, including relying on outdated performance indicators may result in missed opportunities to improve fleet efficiency, reduce operational costs, or align with sustainability and emissions targets. Without updated KPIs, it becomes difficult to track whether fleet services are meeting the organisation's evolving needs or delivering value for money.

The absence of up-to-date and measurable indicators hinders evidence-based decision-making and may affect long-term planning, budget justification, and compliance with good asset management practices.

Recommendation (R5)

It is recommended that the City of Cockburn:

- Undertake a feasibility exercise of installing telemetry devices in some or all of the fleet (or other digital solutions to deliver desired KPI monitoring and performance oversight outcomes).
- Reflect current fleet usage, cost metrics, environmental targets, and asset performance indicators (e.g. fuel efficiency, lifecycle cost, utilisation rate, downtime);
- Be monitored regularly through dashboards or periodic reporting.
- Align with broader organisational goals, including sustainability and financial stewardship.

Management comments (City of Cockburn)

The City supports the recommendation to strengthen lifecycle planning and data integration across fleet operations. The Fleet Asset Management Plan (AMP**)** will serve as the strategic foundation for lifecycle decision-making, setting direction for asset replacement, sustainability targets, and operational efficiency.

Implementation of the AMP will be supported by a combination of tools and systems, including spreadsheets, TechOne, and other digital platforms, to ensure accurate tracking of asset performance, disposal, and justification workflows.

A review of fleet assets that have exceeded replacement thresholds will be conducted to document retention justifications or initiate disposal. The City will also explore the integration of electric/alternative fuel vehicles into the fleet replacement strategy, aligning with sustainability and cost-efficiency objectives.

Completion Date	October 2026
Responsible Officer	Group Manager Parks, Fleet and Waste
Financial Implication	$150K approx..
Business Unit	Parks Fleet Waste

City of Kwinana

The City of Kwinana does not currently apply formal KPIs to its fleet operations. The City noted that its fleet is relatively small, service-oriented, and supports a mixture of municipal functions, including emergency response capability. Large vehicle acquisitions are supported by business cases; however, there is no structured monitoring of fleet performance through measurable indicators. The absence of a formalised KPI framework limits the City's ability to assess efficiency, value for money, or continuous improvement in fleet service delivery.

Implication and Risk

Risk: Low

The lack of a current and structured KPI monitoring process presents several risks. In particular, the absence of formal KPIs reduces visibility over how effectively the fleet supports service delivery, particularly for emergency or critical response functions. This limits the ability to assess utilisation levels, maintenance responsiveness, and overall .

Recommendation (R5)

It is recommended that the City consider introducing a basic KPI structure tailored to the City's fleet size and service requirements. Priority areas may include:

- Vehicle utilisation (e.g. hours or kilometres per month);
- Downtime or maintenance responsiveness;
- Fuel consumption and emissions; and
- Cost per unit of service (e.g. $/km or $/hour).

Management comments (City of Kwinana)

This approach is inconsistent with the size of the fleet. The City is not running a large transport business or a mining operation that needs to maximise profits through reducing the operating cost of a large plant fleet. The rudimentary approach of considering fuel efficiency, and using a multi-criterion scoring system to determine purchases (including consideration of depreciation), with adjustments made to account for poor performance, is appropriate.

Cost per unit has been calculated previously, to inform the charge out rate for plant. This process also triggered a review of the loader and 6 wheeler truck. The size of the fleet makes it easy to identify problematic vehicles or plant items and adjust procurement approaches, where it is relevant – additional investment and the use of KPIs is likely to exceed the benefit that might be realised.

Completion Date	No action required
Responsible Officer	Manager Operations and Director City Infrastructure
Business Unit	City Operations

3.6 Operating Model

City of Cockburn

The City of Cockburn manages its fleet under an ownership-based model, where individual business units are responsible for vehicle use, maintenance, and replacement decisions. However, this model is not supported by a formal operating framework, and there is no evidence that it has been periodically reviewed to assess whether it remains effective or efficient. During the audit, the City advised that the model had been established some years ago, and the staff involved in those decisions have since left the organisation. As a result, the rationale behind the current model is unclear, and institutional knowledge has been lost over time.

Fleet services are delivered through a mix of internal and outsourced arrangements, but these appear to be based on historical practice rather than structured value-for-money assessments. In contrast, many other local governments have adopted better practice models that include leasing arrangements, centralised oversight, lifecycle cost tracking, and use of telematics to improve utilisation and service delivery. These models typically provide clearer accountability, cost transparency, and alignment with operational priorities.

Implication and Risk

Risk: Low

The lack of a formal and periodically reviewed fleet operating model may lead to inefficient use of fleet assets, inconsistent maintenance and replacement practices, and limited transparency in decision-making. The City may also miss opportunities to improve value for money and better align its fleet strategy with current and future service delivery needs.

Recommendation (R6)

It is recommended that the City of Cockburn:

- Conduct a formal review of the City's ownership-based fleet model to assess whether it remains fit for purpose and aligned with better practice principles.
- Evaluate alternative approaches, including leasing, integrated lifecycle management, and use of telematics, to support more efficient and evidence-based fleet decision-making.
- Document the preferred operating model in a formal framework, clearly outlining governance arrangements, responsibilities, and processes for ongoing review.

Management comments (City of Cockburn)

The City agrees that a review of the fleet operating model is necessary to ensure it remains fit for purpose and aligned with better practice principles. This review will be informed by and developed in conjunction with the upcoming review of the City's Fleet Asset Management Plan (AMP).

The AMP will set the strategic direction for fleet operations, including evaluation of ownership versus alternative models such as leasing and integrated lifecycle management. The City's Asset Management team will lead the development of the AMP, with support from the Fleet team to ensure operational alignment and practical implementation.

Should the ownership model be retained, it will require the implementation of a fleet management system capable of accurately measuring utilisation and supporting evidence-based decision-making. The preferred operating model will be documented in a formal framework, outlining governance arrangements, responsibilities, and processes for ongoing review.	
Completion Date	October 2026
Responsible Officer	Group Manager Parks, Fleet and Waste
Financial Implication	$150K approx.
Business Unit	Parks Fleet Waste

City of Kwinana

The City of Kwinana also operates under an ownership-based fleet model, where each department manages its own vehicles, including maintenance and replacement. However, there is no formal documentation outlining the operating model, and no evidence of any structured review to evaluate its effectiveness or relevance in the current environment. The model appears to be a legacy arrangement, carried forward without a clear assessment of its ongoing suitability.

There is also limited evidence of benchmarking or evaluation of alternative models that could offer improved efficiency or cost-effectiveness. By contrast, other local governments have adopted fleet management approaches that reflect better practice, such as leasing, centralised coordination, integration of telematics, and whole-of-life cost analysis to enhance oversight, reduce capital outlay, and support service optimisation.

Implication and Risk

Without a clearly defined and regularly reviewed fleet operating model, the city risks inefficiencies in asset utilisation, inconsistent practices across departments, and reduced ability to demonstrate value for money. The city may also be constrained in its ability to adapt fleet operations to changing service needs or industry standards.

Recommendation (R6)

It is recommended that:

- Undertake a strategic review of the City's ownership-based fleet model to assess whether it remains appropriate, efficient, and aligned with organisational goals.
- Consider benchmarking against other local governments that have adopted better practice models involving leasing, data-driven decision-making, and coordinated fleet governance.
- Develop and formalise a fleet management framework that defines roles, responsibilities, governance structures, and a process for ongoing review and improvement.

Management comments (City of Kwinana)

A simple comparison of interest rates is enough to determine that it is cheaper to own than lease. Leasing is a form of credit that is used to avoid tying up capital and is useful for expanding a business without having to release existing capital. The City's fleet is already owned, and growth of the fleet is slow enough that it can be accommodated within the City's budget.

Lease versus debt could be considered, on a case-by-case basis, when considering the purchase of a major plant item as part of expanding into a new insourcing business (e.g. road sweeper). However, the City's access to low cost debt through the State treasury is unlikely to be less superior than a commercial lease that incorporates debt finance, overheads and profit.

The above statement is not factually accurate; the City's department managers are not responsible for the maintenance and replacement of pool vehicles. Should there be an issue with the pool vehicle the custodian is required to contact the Fleet Technical Officer who would take the appropriate action.

The City has a Fleet Technical Officer that is responsible for the day-to-day manage of the fleet. This role sits within the business hierarchy that ultimately sits under the Executive Leadership Team and CEO. For such a small operation, this seems and appropriate level of role definition.

Completion Date	No action required
Responsible Officer	Manager Operations and Director City Infrastructure
Business Unit	City Operations

Appendix A: Maturity Assessment

Audit performed a Maturity Assessment of Fleet Management practices for the City of Cockburn and the City of Kwinana, applying a five-level maturity scale. The maturity assessment used the following definitions for each maturity level:

1 - Initial

At this stage, fleet sizing and composition are managed in a highly reactive and unstructured manner. Decisions about fleet purchases, disposals, and replacements are made sporadically, often prompted by immediate needs rather than strategic planning. There is minimal understanding of how fleet composition affects operational efficiency. Indicators: Fleet acquisitions are often unplanned and driven by immediate needs. There is no formal policy on vehicle replacement or disposal. Decisions on fleet composition are made without comprehensive data. Record-keeping is sporadic or non-existent. There is a significant variance in vehicle types without a clear justification.

2 - Developing

At the Developing stage, the organisation begins to recognise the need for better control and starts to implement basic strategies for fleet management. There is some use of data to make decisions, and initial policies on fleet replacement and acquisition are in place, but these are not yet fully structured or optimised. Indicators: Basic guidelines for vehicle purchase and disposal are developed. Fleet data is collected but not systematically analysed. Initial awareness of the impact of fleet composition on operational costs. Periodic reviews of fleet size and usage start to take place. Some efforts to standardise fleet vehicles are evident, although not consistently applied.

3 - Defined

In the defined stage, the organisation has established clear policies and procedures for fleet management, which are documented and communicated within the organisation. There is a structured approach to fleet sizing and composition, with regular data collection and review processes in place. Indicators: Comprehensive policies on fleet management are documented and followed. Regular data-driven reviews of fleet performance and needs are conducted. Standardisation of fleet vehicles is largely achieved. There are set criteria for vehicle replacement, including age, mileage, and maintenance costs. Decisions are supported by detailed cost-benefit analyses

4- Managed

At the managed level, the organisation proactively manages its fleet through advanced data analysis and strategic planning. Fleet sizing and composition are regularly optimised based on detailed operational data, predictive analytics, and lifecycle cost management. There is strong integration between fleet management practices and the organisation's overall strategic objectives. Indicators: Advanced data analytics are used for decision-making. Predictive models are employed to forecast future fleet needs and the timing of replacements. Lifecycle cost analyses are routinely performed. There is a high level of compliance with environmental and efficiency standards. Fleet management practices are aligned with broader organisational strategies

5- Optimised

In the Optimising stage, the organisation continuously improves and refines its fleet management strategies. Fleet management is fully integrated with cutting-edge technologies such as telematics and automated reporting systems. The organisation not only responds to current needs but also innovatively anticipates future challenges and opportunities in fleet management. Indicators: Continuous improvement processes are embedded in fleet management activities. Use of telematics and IoT devices for real-time fleet monitoring and management. Regular benchmarking against industry standards to identify improvement opportunities.

The maturity assessment of the City of Cockburn's fleet management practices, as depicted in the image above, highlights varying levels of development across four key areas: Fleet Strategy and Planning, Fleet Operations and Maintenance, Fleet Performance and Analytics, and Compliance and Risk Management. Using a five-level maturity scale ranging from Initial (1) to Optimised (5), the assessment found that overall, the City's fleet practices sit at an average rating of 1.95, indicating they are in the Developing stage. Specifically, Fleet Operations and Compliance areas showed relatively higher maturity at 2.40, reflecting some structured practices and guidelines. In contrast, Fleet Strategy and Planning and Fleet Performance and Analytics scored lower, with the latter at 1.00 (Initial), suggesting highly reactive and unstructured processes in those areas. The radar chart visually compares the current maturity levels (blue) with the desired future state (green), revealing clear opportunities for improvement, especially in data-driven decision-making, planning, and performance analysis.

ASSESSMENT SUMMARY (RATING)

FLEETassess

City of Cockburn

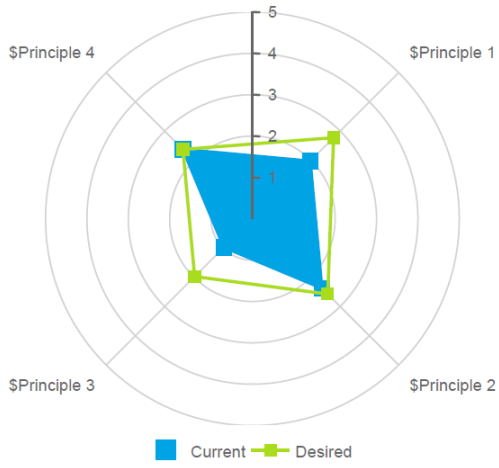
Assessment Name: FLEETassess

Assessment Year: Current Year

CURRENT STATE

1. Fleet Strategy and Planning
2. Fleet Operations and Maintenance
3. Fleet Performance and Analytics
4. Compliance and Risk Management

Rating	Description
1	Initial
2	Developing
3	Defined
4	Managed
5	Optimised



SCORECARD

Principles	Current Ave. Rating	Desired Ave. Rating
1. Fleet Strategy and Planning	2.00	2.80
	Developing	Developing
2. Fleet Operations and Maintenance	2.40	2.60
	Initial	Developing
3. Fleet Performance and Analytics	1.00	2.00
	Initial	Developing
4. Compliance and Risk Management	2.40	2.40
	Developing	Developing
Overall	1.95	2.45

The City of Kwinana's fleet management practices were assessed using a five-level maturity model, ranging from Initial (1) to Optimised (5). As shown in the image above, the City's overall fleet management maturity sits at an average of 2.20, placing it within the Developing stage. This suggests that foundational practices are in place, with growing awareness of the need for structured fleet management. The highest-rated areas are Fleet Strategy and Planning (2.80) and Fleet Operations and Maintenance (2.60), indicating that the City has started to implement basic policies and periodic reviews in these areas. Meanwhile, Fleet Performance and Analytics (1.80) and Compliance and Risk Management (1.60) remain at the Initial level, suggesting limited use of performance data and formal risk controls. The radar chart visually represents the current (blue) and desired (green) maturity levels, showing a relatively small gap, reflecting modest improvement targets across all principles.

ASSESSMENT SUMMARY (RATING)

FLEETassess

City of Kwinana

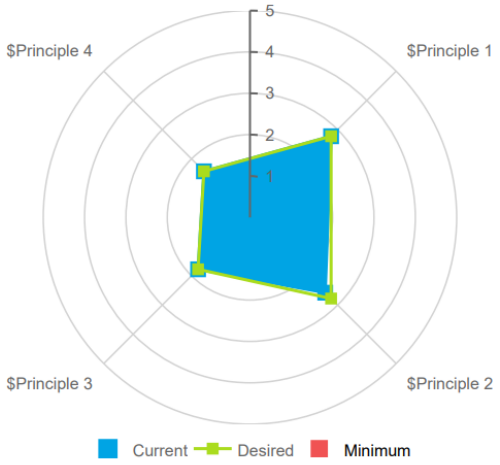
Assessment Name: FLEETassess

Assessment Year: Current Year

CURRENT STATE

1. Fleet Strategy and Planning
2. Fleet Operations and Maintenance
3. Fleet Performance and Analytics
4. Compliance and Risk Management

Rating	Description
1	Initial
2	Developing
3	Defined
4	Managed
5	Optimised



SCORECARD

Principles	Current Ave. Rating	Desired Ave. Rating
1. Fleet Strategy and Planning	2.80	2.80
	Developing	Developing
2. Fleet Operations and Maintenance	2.60	2.80
	Developing	Developing
3. Fleet Performance and Analytics	1.80	1.80
	Initial	Initial
4. Compliance and Risk Management	1.60	1.60
	Initial	Initial
Overall	2.20	2.25


bluezoo

11.2.2 (2025/MINUTE NO 0025) Follow-Up Report: Local Government Insurance Scheme Fleet Risk Assessment

Executive Director Infrastructure Services
Author Group Manager Parks, Fleet and Waste
Attachments N/A

Committee Recommendation
MOVED Cr C Reeve-Fowkes SECONDED Cr P Corke

That Council NOTES the Local Government Insurance Scheme Fleet Risk Assessment Audit 2024 update.

CARRIED 7/0

Background

The City of Cockburn participated in a Fleet Risk Assessment Audit conducted by the Local Government Insurance Scheme (LGIS), following concerns over the City's elevated insurance claims compared to peer councils.

The assessment aimed to identify contributing risk factors and recommend strategies to mitigate these risks.

The Audit Risk and Compliance Committee received the initial report and requested a follow-up within twelve months to monitor progress and ensure appropriate actions were being taken

Submission

N/A

Report

Following the LGIS Fleet Risk Assessment, the following initiatives have been undertaken to address the key findings:

Claims Analysis: A detailed review of historical insurance claims was conducted to identify recurring patterns and root causes. This analysis has informed targeted interventions.

Driver Behaviour Monitoring: Preliminary steps have been taken to assess driver behaviour through existing telematics data and incident reports. This has helped identify high-risk driving practices and areas for improvement.

Fleet Maintenance Review: Maintenance schedules and procedures have been reviewed to ensure alignment with best practices. A gap analysis was completed to identify inconsistencies in servicing intervals and documentation.

Policy and Procedure Audit: Fleet-related policies, including driver responsibilities, vehicle allocation, and incident reporting, have been audited. Recommendations for updates have been drafted and are under internal review.

Inter-Council Collaboration: Blue Zoo Advisory Ltd has recently completed a joint Fleet Audit with the City of Kwinana, providing further benchmarking insights and collaborative opportunities to improve fleet risk management practices

The initial assessment highlighted three major areas of concern:

1. High Claims Frequency: Still evident, however the ratio of at fault claims to overall claims has revealed that the City is below average once benchmarked against peer councils.
2. Benchmarking Gaps: The statistics show that since 2022 the City is on average with its peer councils, with at fault vehicle claims remaining constant.
3. Operational Risk Exposure: Specific risks related to vehicle usage, driver accountability, and maintenance consistency remain a priority focus.

This chart compares Cockburn's total and at-fault fleet claims against the metropolitan cities benchmark. Cockburn consistently performs better than the benchmark, with at-fault claims significantly lower for the past three years.

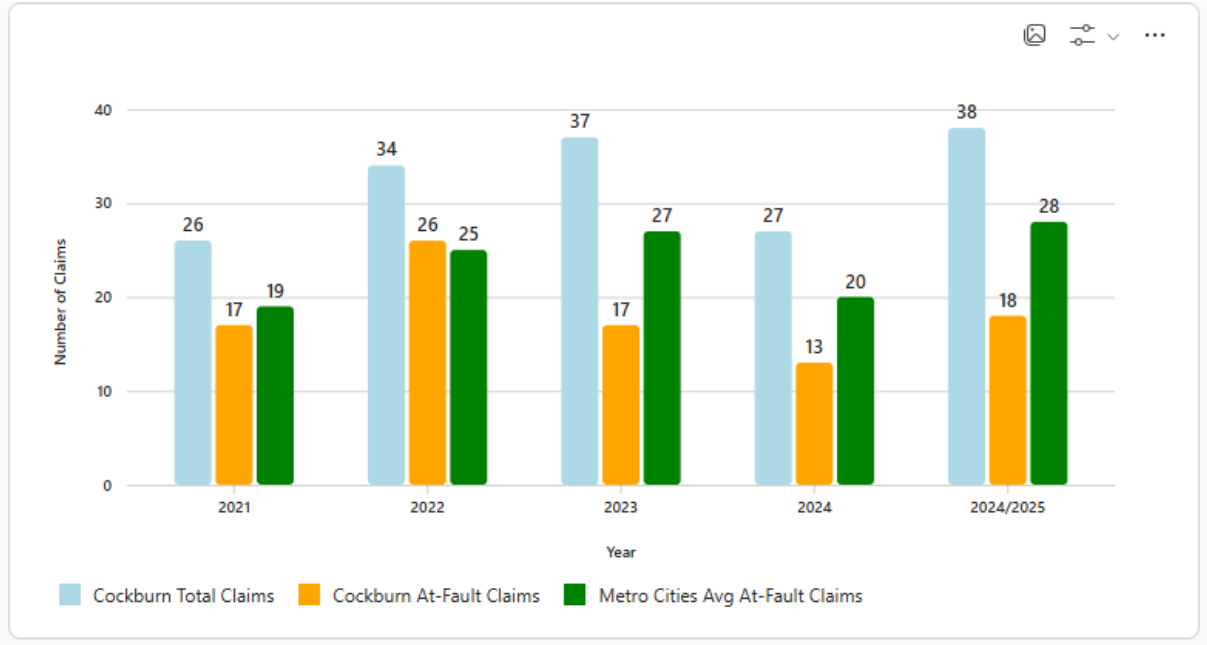


Figure 1: Cockburn Fleet Claims vs Metro Benchmark.

LGIS Fleet Risk Assessment - Recommendations Table Update

Recommendation	Description	Status/Action Taken
1. Enhance Driver Training	Implement targeted driver training programs to address common causes of accidents and improve overall driving behavior within the fleet.	The City has engaged Performance Driving Australia to undertake driver training. Priority training has commenced based on risk assessments. 18 staff completed to date It is proposed all staff required to operate city vehicles and plant will undertake the driver assessment training.
2. Fleet Management Systems	Consider adopting advanced fleet management systems that provide real-time monitoring of vehicle usage, maintenance schedules, and driver performance.	A Fleet Management System is proposed to be procured by Q2 FY27 (subject to budget allocation) which aligns with the Blue Zoo Audit recommendation
3. Policy Review	Review and update fleet management policies, focusing on risk reduction strategies, including regular vehicle inspections, driver assessments, and incident reporting protocols.	Policy has been delayed due to resource availability. Revised date for completion is Q4 FY26
4. Claims Monitoring	Establish a dedicated team or system for monitoring insurance claims and analysing trends to proactively address emerging risks.	The City's fleet contracts team, have existing analysis documents in place, the addition of a fleet management system will further enhance data capture and enable the identification of emerging risks.
5. Collaboration with LGIS	Continue collaborating with LGIS to refine risk management practices and take advantage of their expertise in mitigating fleet-related risks.	Discussions continue with LGIS, clarity on data capture and claims analysis will further improve collaboration, and result in data driven improvements to the City's fleet management processes.

Strategic Plans/Policy Implications

Listening and Leading
A community focused, sustainable, accountable, and progressive organisation.
• Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

- Work Health and Safety Act 2020
- Work Health and Safety (General) Regulations 2022
- Road Traffic (Vehicles) Act 2012
- Road Traffic Act 1974 and subsidiary legislation

Community Consultation

N/A

Risk Management Implications

There is a medium operational risk exposure to Council if the report is not adopted by the Audit, Risk and Improvement Committee as without an updated policy and driver training there is a potential for increase in vehicle unavailability and team members comprehension of the vehicle policy.

There is a medium to high level of financial risk exposure to Council if the report is not adopted by the Audit, Risk and Improvement Committee due to continued payments increasing insurance premiums.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

N/A

11.3 Office of the CEO

11.3.1 (2025/MINUTE NO 0026) Integrity Strategy Update

Executive	Chief Executive Officer
Author	Risk and Governance Advisor
Attachments	1. City of Cockburn Completed PSC Integrity Framework Maturity Self-Assessment Tool

Committee Recommendation
MOVED Cr C Reeve-Fowkes SECONDED Cr C Zhang
That Council:

(1) RECEIVES the Integrity Strategy – Update report;

(2) ACKNOWLEDGES the City has undertaken , the Public Sector Integrity Maturity Self-Assessment to arrive at the self-assessed level of Developing, which is supported by identified documentation;

(3) SETS a target of a level of Embedded under the Public Sector Integrity Maturity Self-Assessment by 2028; and

(4) REQUESTS the Chief Executive Officer to develop an Audit, Risk and Improvement Strategy for presentation to the May 2026 Audit, Risk and Improvement Committee.

CARRIED 7/0

Background

On 20 July 2025, the City of Cockburn (the City) reported to the Audit, Risk and Compliance Committee (ARC) the Governance Update - Development of an Integrity Strategy which set the foundation to align the City to the Public Sector Commission's Integrity Strategy.

This report is an update to the City's Audit, Risk and Improvement Committee (ARIC) on progress made since the initial report to the ARC in July 2025

Submission

N/A

Report

The Public Sector Commission (PSC) Integrity Framework Maturity Self-Assessment Tool allows entities to assess themselves against 4 maturity levels in 13 nominated integrity elements, presented as **Attachment 1** to this report.

The four maturity levels in order of increasing maturity are as follows -

- Emerging
- Developing
- Embedded
- Excelling.

This assessment is supported by numerous City policies, frameworks, guidelines, processes, and systems, including but not limited to -

- The City's Risk Maturity Improvement Plan, which is informed by the Moore Australia Risk Maturity report presented to the ARC at its 25 May 2023 meeting
- The Governance Improvement Guidance Plan, which resulted from the 2024 RokSteady Governance Review of the City.

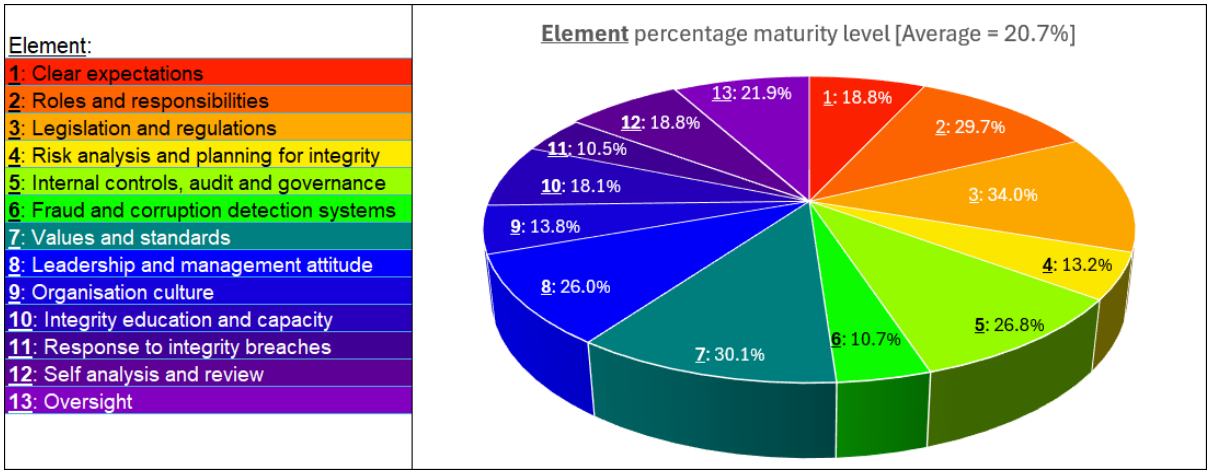
The assessment is summarised in the table below -

Element	Description	City self-assessed maturity level
Element 1: **Clear expectations**	The authority head clearly describes and communicates their integrity expectations	**Developing**
Element 2: **Roles and responsibilities**	Roles and responsibilities are assigned to ensure a coordinated approach to managing integrity	**Developing**
Element 3: **Legislation and regulation**	Legislation, regulations and external policy obligations are identified and accounted for	**Developing**
Element 4: **Risk analysis and planning for integrity**	Integrity risks are identified and analysed, and plans are made to manage them	**Developing**
Element 5: **Internal controls, audit and governance**	Integrity risks are managed through sound internal controls, and audit is used to evaluate the adequacy and effectiveness of controls	**Developing**
Element 6: **Fraud and corruption detection systems**	Systems and activities are in place to detect events different to those considered standard, normal or expected	**Emerging**
Element 7: **Values and standards**	Values and standards (code of conduct) are in place and describe what acceptable workplace behaviour looks like in practice	**Developing**

Element	Description	City self-assessed maturity level
Element 8: **Leadership and management attitude**	Leaders are aware of and understand their role to model behaviours consistent with expectations, values and standards; and to take action addressing behaviour that is inconsistent with these	**Developing**
Element 9: **Organisation culture**	Integrity is part of organisation culture. It is actively managed to ensure integrity is sustained	**Developing**
Element 10: **Integrity education and capacity**	Integrity education helps build staff capacity to act with integrity	**Emerging**
Element 11: **Response to integrity breaches**	Integrity breaches are responded to in a timely and proportionate way to ensure integrity is sustained	**Emerging**
Element 12: **Self-analysis and review**	Analysis and review activities of actions to support integrity are undertaken as part of continuous improvement	**Developing**
Element 13: **Oversight**	Oversight is about providing the authority head assurance that the authority's approach to integrity is working as intended	**Developing**

The City's self-assessment supports the view that the City maturity levels regarding all 13 elements in the integrity assessment is overall 'Developing'.

A graphical representation of the maturity levels for each of the 13 elements is shown in the pie-chart below:



The above schematic shows that the elements in which the City has significant integrity systems and processes are in -

- Element 2: Roles and responsibilities, 29.7% implementation
- Element 3: Legislation and regulations, 34.0% implementation
- Element 5: Internal controls, audit and governance, 26.8% implementation
- Element 7: Values and standards, 30.1% implementation
- Element 8: Leadership and management attitude, 26.0% implementation.

The opportunities for improvement have been identified in –

- Element 4: Risk analysis and planning for integrity, 13.2% implementation
- Element 6: Fraud and corruption detection systems, 13.2% implementation
- Element 9: Organisation culture, 13.8% implementation
- Element 11: Response to integrity breaches, 10.5% implementation.

This integrity self-assessment has provided a base level on which to develop the City's Integrity Strategy in accordance with the requirements of the PSC Integrity Strategy.

Following the October 2025 local government elections, and with the formation thereafter of the new City of Cockburn Audit, Risk and Improvement Committee (ARIC), the committee will be required to overview and guide the City in developing its Integrity Strategy and align it to the PSC's Integrity Strategy.

Strategic Plans/Policy Implications

Local Economy
A sustainable and diverse local economy that attracts increased investment and provides local employment.
• A City that is 'easy to do business with'.

Listening and Leading
A community focused, sustainable, accountable, and progressive organisation.
• Best practice Governance, partnerships and value for money.
• Employer of choice focusing on equity, innovation and technology.

Budget/Financial Implications

The development of the Integrity Strategy can be dealt with during the usual Corporate Business Plan and Budget processes.

Legal Implications

The Integrity Strategy will assist the City to comply with its legal obligations and align it to the PSC integrity requirements.

Community Consultation

N/A

Risk Management Implications

The Integrity Strategy can include actions to better manage any identified integrity risks.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

Public Sector Commission
GOVERNMENT OF WESTERN AUSTRALIA

Integrity Framework Maturity Self Assessment Tool

Helping WA public authorities assess and improve their approach to integrity

Element 1: Clear expectations

The authority head clearly describes and communicates their integrity expectations

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Expectations, if documented, are only in the code of conduct. ☐ The authority head rarely communicates their expectations. ☐ Line managers check staff understanding of expectations only after an integrity breach. ☒ There are limited specific expectations communicated to external stakeholders (e.g. those who do business with the authority or use its services).	☒ Expectations are in the code of conduct, being documented in integrity policies and procedures, and included in job descriptions for some positions of trust when they are updated. ☐ The authority head occasionally reinforces their expectations (e.g. face to face, staff communications). ☒ Line managers explain expectations at induction. Some reinforce them during employment (e.g. through staff performance processes). ☐ Specific expectations for external stakeholders are being developed.	☐ The integrity framework, code of conduct, integrity policies and procedures, and most business processes reflect the authority head's expectations. ☒ The authority head frequently reinforces their expectations and there is clear "tone from the top". ☐ Line managers consistently model and reinforce the "tone from the top". This is demonstrated in part by staff understanding expectations and being able to explain what these are when asked. ☐ Expectations are communicated to external stakeholders (e.g. through a statement of business ethics).	☐ New policies and procedures are written consistently to reflect the authority head's expectations. ☐ The leadership group demonstrates the "tone from the top". It is visible and well known inside and outside the authority. ☐ Staff model and support the "tone from the top" which is assessed through staff performance processes. ☐ External stakeholders who do not meet communicated expectations are held to account (e.g. through appropriate legislative or contractual mechanisms).

Comments

The City of Cockburn appears to be mostly at the 'Developing' level. The procurement team communicates some of the City's expectations to external entities. The City of Cockburn Employee Code of Conduct, and some PDs detail integrity expectations from employees. Most Line Managers reinforce integrity expectations, either at team meetings or in on-to-one meetings. The CEO continually reinforces his integrity expectations at ELT briefings.

Element 2: Roles and responsibilities

Roles and responsibilities are assigned to ensure a coordinated approach to managing integrity.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Some roles and responsibilities are assigned. These are documented to meet compliance obligations (e.g. role of the audit committee). ☐ Some delegations are documented; these mainly relate to finance and human resources. ☐ Information and data requests from external integrity bodies are responded to in an ad hoc way. ☐ Staff think integrity is someone else's responsibility. Individual and shared responsibility is not well understood.	☒ Roles and responsibilities are being assigned as the integrity framework is developed (e.g. to positions, teams, groups and committees) and in job descriptions when they are updated. ☐ Delegations are being considered across functions and activities and being documented in an accessible schedule. ☒ Responsibility has been assigned to a position or team to coordinate information and data requests and interactions with external integrity bodies. ☒ Staff are becoming aware that integrity is everyone's responsibility. This is being communicated in the integrity framework, code of conduct, integrity policies and procedures.	☐ Roles and responsibilities – including the authority head's accountability for integrity – are documented in the integrity framework. ☒ Relevant roles and responsibilities (e.g. between the governing board chair or mayor/shire president, chancellor and authority head and staff) are clear and documented in the integrity framework. ☒ Delegations for all legislative and high risk functions are covered (e.g. regulation, approvals, human resources, finance). ☐ Requests from external integrity bodies are planned for and scheduled so they can be responded to in a timely and fulsome way. ☐ Staff are aware that integrity is everyone's responsibility and can explain what this means when asked.	☐ Leaders and staff with key assigned roles and responsibilities in the integrity framework regularly discuss challenges and identify opportunities to improve the framework. These improvements feed into self-analysis and review of the framework. ☐ The delegations schedule is monitored and updated in real time. ☐ A dedicated position, team or committee is tasked with engaging with external bodies, promoting integrity, and helping to prevent misconduct and corruption, and providing specialist advice to the leadership group on trends and improvement actions. ☐ Staff are provided with a formal avenue to suggest changes to the integrity framework.

Comments

The City of Cockburn appears at the 'Developing' level. The City of Cockburn Employee Code of Conduct, and some PDs detail integrity expectations from employees. Relevant roles and responsibilities for Elected Members, Mayor and CEO are clear and documented in the City of Cockburn Governance Framework In most instance Legal Counsel is assigned responsibility for coordinating information and data requests and interactions with external integrity entities. The City of Cockburn Register of Delegations contains all delegated powers for the organisation. People and Organisational Development Services, and Procurement Services, respectively, notify Governance and Finance, when an officer is deemed to need a Delegation / Purchase Authorisation Level.

Element 3: Legislation and regulations

Legislation, regulations and external policy obligations are identified and accounted for.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Legislative, regulatory and external policy obligations (e.g. those required by enabling legislation and those set by central bodies) are not fully identified. ☐ Compliance gaps, if any, are mostly unknown. ☐ Staff understanding of their powers, functions and obligations – and how they apply these in practice – relies on their knowledge and capability.	☐ Legislative, regulatory and external policy obligations are being identified. An accountability map or similar is being completed. ☒ Any compliance gaps identified are being addressed. ☐ Staff are becoming aware of the power, functions and obligations relevant to their role (e.g. acting in line with operating procedures). Line managers are taking a more active role in this.	☒ All obligations are documented and accounted for (e.g. reflected in internal controls, roles and responsibilities, compliance calendars). ☐ Compliance gaps are addressed as identified. ☒ Staff understand the power, functions and obligations relevant to their role (e.g. delegations) and can explain how these apply in practice. ☒ Line managers support their staff to comply with obligations and oversight compliance. They demonstrate they have taken action on non-compliance (e.g. through staff performance and discipline processes).	☐ All obligations are monitored to track changes to legislation, regulations and external policy. Changes are communicated and updates made (e.g. to internal controls). ☐ Proactive monitoring identifies compliance gaps. ☐ Passive and active monitoring is undertaken to check if staff are carrying out powers, functions and obligations as expected (e.g. discretionary powers are appropriately exercised and staff act in line with delegations).

Comments

The City of Cockburn appears to be almost at the 'Embedded' level. With General Counsel and Service Lead Governance and Council Support, compliance gaps are addressed when these are identified. Compliance calendars, once generated through the *Attain* solution, can now be made available through *SharePoint*. The City of Cockburn Register of Delegations contains all delegated powers for the organisation. Moreover, staff have the job expertise and experience to understand their powers to ensure that they will not be deemed *ultra vires* when exercising a power. Exercised delegated authority is recorded in a register, generated via a *TechnologyOne* report run by Finance and reported to Council.

Element 4: Risk analysis and planning for integrity

Integrity risks are identified and analysed, and plans are made to manage them.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Integrity risks are narrowly defined. Little consideration is given to functions and activities that give rise to integrity risks. The priority is material financial risk. ☐ There is limited agreement about the value of, and approach to, managing integrity risks among the leadership group. ☐ Managing integrity risks associated with functions and activities relies on the judgement of line managers. There are limited methodologies, tools and guidance to assist them, other than processes to manage financial risks. ☒ Some but not all staff are able to explain the integrity risks associated with their work or the importance of managing them.	☒ Integrity risks, including those relating to high risk functions, activities and any outsourced programs and activities, are being identified, adequately defined, analysed and documented in risk registers. ☒ The authority head communicates the value of managing integrity risks to the leadership group. A shared understanding of risk management is being developed. ☒ Risk owners are being identified and assigned for high risk functions and activities. They are provided with methodologies, tools and guidance (e.g. risk management policies and procedures) to help analyse and manage risks. ☐ Staff are becoming familiar with the integrity risks associated with their work and what they need to do to manage them (e.g. comply with policies and procedures).	☐ Integrity risks from internal and external sources have been identified. Risk owners are assigned for all identified risks in risk registers. Integrity risks are reflected in broader planning processes (e.g. strategic, operational, project and business continuity). ☐ Integrity risks are regularly monitored, reviewed, updated and reported on, and take account of changes impacting the risk profile. ☐ The authority head regularly reinforces the value of managing integrity risks (e.g. face to face, in staff communications). ☐ Risks owners are provided with methodologies, tools and guidance that take into account better practice outlined in Australian Standards 31000-2018: Risk Management Guidelines and 8001-2021: Fraud and Corruption Control. ☐ Staff understand the integrity risks associated with their work and identified shared risks, and can explain how they manage these in practice.	☐ Assessment of integrity risk considers behavioural factors (e.g. what makes individuals more vulnerable to engaging in misconduct and corruption from internal and external sources). ☐ Advanced tools are used to monitor and report on integrity risks (e.g. automated dashboards and data analytics). They help inform decisions to improve risk management. ☐ The leadership group takes a positive and proactive approach to managing all risks including shared risk (e.g. inter-authority or multi-jurisdictional projects). ☐ Risk owners champion risk management. ☐ Staff consistently identify, analyse and manage integrity risks associated with their work. Where new and emerging risks are identified, they are raised via established pathways.

Comments

Leading up to August 2024, the City of Cockburn using RMSS as its cloud base online risk management solution, would have appeared to be mostly at the 'Developing' level. With the demise of RMSS during August 2024, the City now appears to be mostly at the 'Emerging' level. The City's current risk register uses the SharePoint platform. In June 2024, the City's risk register of 234 operational risks contained these identified categories of risk: 34 compliance, 8 cyber security, and 25 fraud. All these risks have risk owners. These tools are available to assist and guide officers in identifying risks in the organisation: Risk Management Framework, Risk Assessment Guidelines, Risk Management Matrix, Risk Management Policy. However, more work needs to be done to progress to the 'Embedded' stage.

Element 5: Internal controls, audit and governance

Integrity risks are managed through sound internal controls, and audit is used to evaluate the adequacy and effectiveness of controls.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Limited or basic internal controls (e.g. policies and procedures) are directed towards managing financial risks. ☐ Accuracy and currency of policies and procedures relies on individuals updating them. There is no assigned responsibility. ☐ Audit scopes and programs focus on the adequacy of financial controls rather than broader integrity issues (e.g. use of confidential information). ☐ The relationships between those with responsibility for audit are undefined. ☐ Applying internal controls associated with functions and activities relies on the line managers explaining to staff why internal controls exist and their importance. There is no standard approach; staff knowledge varies. ☐ Staff are unaware of the need to report unmanaged risks and internal control weaknesses.	☐ Internal controls (e.g. core and complementary integrity policies and procedures) are being developed and implemented to manage identified integrity risks. ☒ A position or team has been assigned to develop a policy register to record what policies and procedures exist, who owns them and their currency. ☒ Integrity risks and the adequacy of internal controls are being included in the audit scopes and programs. ☒ The relationship between the internal audit function, audit committee and accountable authority and any external audit body is being defined and good practices are being developed (e.g. communication of reports and recommendations from external integrity bodies). ☒ Line managers are starting to understand and communicate the importance of applying internal controls consistently to manage integrity risks. ☒ Staff rely on managers informing them of how to report internal control weaknesses.	☒ Internal controls (e.g. preventative, detective and corrective) are proportionate to specific integrity risks. ☐ A position or team manages the policy register to ensure policy owners are undertaking scheduled reviews. ☐ Different types of audits are used to explore integrity risks (e.g. random audits, focus area, forensic, compliance and quality audits). ☐ The importance of audit is well understood across the authority. Line managers readily accept and participate in audits. Recommendations for improvement from internal and external audits are assigned to ensure they are implemented. ☐ Line managers understand their supervision and monitoring role is an internal control. Staff understand the risks associated with their work and apply internal controls to manage these. ☐ Staff know how to report internal control weaknesses via established pathways.	☐ Internal controls are monitored, reviewed (including pressure tested) and improved continuously. Internal controls keep pace with lessons learnt from integrity breaches, changing business processes, risks and other operating conditions and reduce vulnerabilities and unintended consequences. ☐ Risk owners raise, and internal audit records, changes to internal controls and treatment plans in risk registers. Advanced tools automatically update those who need to know of changes. ☐ Evaluation of the adequacy and effectiveness of internal controls to manage integrity risks is conducted in targeted integrity audits and integrity is included as part of most audit scopes. ☐ A combined assurance model (e.g. with activities that are coordinated and planned) is in place to ensure integrity is practiced, managed and accounted for.

Comments

The City of Cockburn appears to be at the 'Developing' level. In the 27 February 2025 City of Cockburn Regulation 17 Internal Audit Review, the auditor Paxon Group stated:

'Based on the work performed, the City generally had good controls and processes in place to address key risk, control and legislative compliance requirements within the scope of our work. Our work has highlighted several areas for improvement within the City's processes and controls frameworks which are set out below, but all are of relatively low risk. The City appears to be aware of its improvement requirements and has developed or commenced steps to address the points.'

Element 6: Fraud and corruption detection systems

Systems and activities are in place to detect events different to those considered standard, normal or expected.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☒ Basic detection systems and activities are in place for internal threats (e.g. some financial activities) but relies heavily on the manual effort of individuals (e.g. manual checks, excel spreadsheets). ☒ Detection systems and activities are directed towards managing internal threats. Some basic controls are in place to prevent external fraud and corruption threats (e.g. firewalls to prevent cyber-attacks). ☐ Internal data holdings are unstructured and not easily analysed. ☒ Beyond basic reporting, there is no or limited use of data for detection purposes.	☐ Planning is underway to develop a detection strategy or plan; this is being supported by the leadership group. The plan considers internal and external threats (e.g. cyber security, third parties seeking to exploit individual officers), information and data holdings, people and capability requirements, tools for validation and reporting, and governance arrangements including data sharing and confidentiality. ☒ Changes are being made to how existing data is captured, providing more structure for easier analysis. ☐ Data is mainly used for reporting rather than responding to identified errors and irregularities.	☐ A detection strategy or plan is in place to help control internal and external threats. It takes into account better practice outlined in Australian Standards 31000-2018: Risk Management Guidelines and 8001-2021: Fraud and Corruption Control including speaking up and staff and contactor screening. ☐ Data holdings to inform detection have been cleansed, are structured and can be analysed easily. ☐ Fit for purpose data tests are in place and repeatable, usually with consistent results that provide useful insights. These are supported by procedures to respond to and address identified errors and irregularities, and escalate issues for investigation as appropriate.	☐ Detection systems and activities inform the internal audit scopes and program; insights show areas for further examination. ☐ Detection systems and activities support continuous improvement to strategic and operational planning and misconduct and corruption prevention approaches. ☐ Internal and external data holdings, where they can be shared and are relevant, are leveraged to inform detection approaches. ☐ Automated processes are in place to identify and escalate red flags. Processes for prompt escalation, investigation and resolution are in place.

Comments

The City of Cockburn appears to be at the 'Emerging' level. PRIS requirements are being implemented across the organisation in accordance with the roll out plan of the Office of Digital Government. The City is considering the impacts of the need for privacy and confidentiality in its data architecture and business systems. As the City matures its data governance approach, and identifies how data in business systems can support, embed and drive integrity approaches, the City expects to elevate this element to 'Embedded'.

Element 7: Values and standards

Values and standards (code of conduct) are in place and describe what acceptable workplace behaviour looks like in practice.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Values have been discussed by the leadership team but have not progressed beyond this. ☐ A code of conduct is in place to meet compliance obligations (e.g. legislative, external policy) but it is not widely promoted by the leadership group. ☐ Any discussions about the code of conduct relies on individual line managers. ☒ Monitoring of compliance with the code of conduct occurs ad hoc. ☐ Staff have limited awareness of the code of conduct. They are unsure where to find it, how it applies to them and their obligations under it.	☐ Values and other direction setting statements (e.g. vision, mission and remit) are being developed and are consistent. ☐ A code of conduct exists but does not fully take account of relevant legislation, regulation and policy (e.g. internal and external) obligations or integrity risks specific to the operating context. ☒ Most leaders and line managers understand their role to promote the code of conduct, support its implementation and their role to monitor and support compliance with it. ☐ Strategies to monitor compliance with the code of conduct are being planned for as integrity policies and procedures are being developed. ☒ Most staff are aware of the code of conduct, can explain its purpose and know where to find it.	☒ Values and codes of conduct focus on the behaviours expected to achieve objectives with integrity. Values and standards are reflected in relevant documents and processes (e.g. policies, strategic and operational plans, job advertisements and descriptions, recruitment processes). ☒ The code of conduct incorporates the views of key internal stakeholders and accounts for relevant obligations and identified risks. It provides guidance to support ethical decision making. ☐ Leaders and line managers consistently promote the code of conduct (e.g. during team meetings, 'integrity moments', standing item on the leadership group agenda) to support its implementation. ☒ Compliance with the code of conduct is monitored (e.g. through staff performance processes, analysis of discipline processes and complaints) and reasons for non-compliance addressed. ☐ Staff know about the code of conduct, understand its importance and can describe how it guides their behaviour.	☐ Values and codes of conduct are regularly promoted to all stakeholders (e.g. published on the internet, in recruitment information) and there is a process for annual acknowledgment. ☐ The code of conduct has been developed taking into account the views of the authority's key external stakeholders. ☐ Values and the code of conduct are discussed at leadership meetings. Data around non-compliance is being used by this group to inform improvements to internal controls. Discussions and information feeds into self analysis and review processes to continuously improve the integrity framework. ☐ Staff are confident holding each other to account for expectations set in the code of conduct (e.g. respectfully calling out behaviour that does not align, reporting unethical behaviour).

Comments

The City of Cockburn appears to be at the 'Developing' level. Following completion of the all-staff induction, consideration should be given for an annual online compulsory re-induction for all employees by Learning and Development service unit. Such an approach would consolidate this expectation to the 'Embedded' level.

Element 8: Leadership and management attitude

Leaders are aware of and understand their role to model behaviours consistent with expectations, values and standards; and to take action addressing behaviour that is inconsistent with these.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ The leadership group's role to support integrity (e.g. to model, reinforce, promote, communicate and enforce) is informal; it relies on individual's views of what their role is. ☐ In the absence of any formal approach, it is left to individual leaders and line managers to interpret and model values and standards. ☐ The role of leaders to support and demonstrate integrity – and if this is reflected in recruitment practices and staff performance processes – relies on those undertaking those processes. ☐ There is little recognition that leadership roles are positions of trust. Employment screening processes (e.g. police clearances, verification of qualifications) are rarely, if ever, undertaken. ☐ Development of leaders and line managers occurs as a result of individual development discussions with those who conduct the process.	☐ A statement is being developed (e.g. terms of reference, charter) that explains the leadership group's role to support integrity. ☒ Some leaders and line managers can explain what integrity looks like, its importance, and their role to promote, reinforce it and take action when behaviours are inconsistent with obligations. ☒ The role of leaders to support and demonstrate integrity is being reflected in recruitment and performance documents and processes. ☒ There is a growing recognition that leadership roles are positions of trust. Employment screening is being implemented for these roles. ☐ Development of leaders and line managers includes building their skills to deal with integrity matters effectively (e.g. having difficult conversations about conduct).	☒ The leadership group has a shared understanding of its role to support integrity. The group consistently demonstrates and supports this through its actions. ☐ Leaders and line managers have a shared understanding and can explain how they shape culture, what integrity looks like, its importance, and their role to promote and reinforce it (e.g. taking action when behaviours are inconsistent with obligations). ☐ Integrity forms part of the recruitment and performance processes for leadership roles. Leaders demonstrate how they support integrity through their actions and decisions (e.g. in their performance processes). ☐ Leadership roles are identified positions of trust. Employment screening occurs for all new leadership roles. ☒ Development of leaders and line managers includes building their skills to support integrity and prevent misconduct and corruption (e.g. recognise red flags, address issues early and make proportionate decisions when issues occur).	☐ The leadership group's cohesive approach to integrity is recognised externally. The authority head and leadership group are often sought to provide advice to their peers on integrity matters as a result. ☐ Leaders and line managers have a good understanding of their role to uphold the reputation of their authority and the broader sector in which they work. ☐ Performance processes assess both what leaders achieve and how they achieve it (e.g. projects delivered effectively manage internal and external risks). ☐ Development of leaders and line managers incorporates mentorships and coaching designed to grow their personal capability, insights and skills to lead with integrity.

Comments

The City of Cockburn appears to be at the 'Developing' level. An opportunity exists for all people leaders to familiarise themselves with the requirements of the Public Sector Commission on the subject of integrity - it may require this to be a KPI for their role. Such an approach would elevate this expectation to the 'Embedded' level.

Element 9: Organisation culture

Integrity is part of organisation culture. It is actively managed to ensure integrity is sustained.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☒ There are few actions and initiatives (e.g. clear expectations, values, communication about integrity, integrity education) to build and sustain integrity. ☐ There is little understanding about recruiting for integrity (e.g. values based recruitment). Staff employment screening (e.g. police clearances, previous disciplinary matters, verification of qualifications) is rarely, if ever, undertaken. ☒ Reporting pathways exist to meet compliance obligations (e.g. public interest disclosure) but are not widely promoted and confidence in them is low. ☒ Integrity communications only occur in response to a significant integrity breach. ☐ Some staff can describe 'how we do things around here', but they are unable to link this to expectations or the code of conduct.	☐ Actions and initiatives to build and sustain integrity are being developed. This includes evaluation activities (e.g. staff surveys to test reporting confidence). ☐ Recruiting for integrity and the requirement for staff employment screening is being documented and promoted to recruiting managers. ☐ Reporting pathways are being developed for staff and external stakeholders. These are clear and concise, include external avenues and strong statements about protection for those who speak up. ☐ An integrity communications plan is being developed. Key integrity messages are communicated periodically (e.g. for International Anti-Corruption Day). ☒ Most staff can describe 'how we do things around here' as it relates to their immediate work environment referencing the code of conduct, and policies and procedures relevant to their role.	☐ Actions and initiatives to build and sustain integrity are in place. Evaluation activities are conducted regularly and improvements implemented. ☒ Recruiting for integrity and staff employment screening occurs for all new staff. The type of screening is proportionate to the position and integrity risks. ☐ Reporting pathways are in place and well known by staff. These provide for external stakeholders to also report integrity matters and for anonymous reporting. ☐ An integrity communications plan is in place and messages are sent to staff regularly (e.g. dedicated web/intranet site, campaigns on integrity topics run throughout the year). ☐ Staff can describe 'how we do things around here' from an authority wide perspective and can link this to expectations, values, standards and the need to follow policies and procedures.	☐ Data and information that might indicate issues with integrity are identified, monitored and action taken (e.g. business units with high reports of integrity breaches are supported to make better decisions). ☐ There is a process in place to ensure identified positions are rescreened periodically. ☐ Data and information on the use of reporting pathways are analysed to inform continuous improvement (e.g. absence of reporting from certain teams or employment groups). ☐ De-identified data from reporting is used to inform integrity communication messages. ☐ Staff can consistently describe 'how we do things around here', referencing authority and sector wide expectations, values, standards, policies and procedures.

Comments

The City of Cockburn appears to be at the 'Developing' level. Commencing organisation surveys will create a base line of the pulse of the organisation in regard to integrity or reporting confidence. Such an approach would consolidate this expectation to the 'Developing' level.

Element 10: Integrity education and capacity

Integrity education helps build staff capacity to act with integrity.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ Induction, if conducted, relies on the knowledge of individual line managers. ☐ Some integrity education occurs beyond induction to meet compliance obligations. ☒ Leaders and line managers rarely follow up if their staff have attended integrity education provided. ☐ Whether other actions and initiatives (e.g. staff performance processes) to educate and reinforce integrity are undertaken relies on individual line managers. ☐ Staff are unsure about who provides advice about integrity matters as it is not documented. If provided by individual line managers, the quality of advice relies on their knowledge.	☒ An induction program is being developed to incorporate expectations, standards, policies and procedures and guide ethical decision making. ☒ Integrity education is being developed to help manage key integrity risks (e.g. conflicts of interest, information management). The integrity education and training plan includes what is provided, to whom and when, which high risk positions need additional training, and how activities are evaluated (e.g. how participation is tracked). ☐ Most leaders and line managers are active in attending any integrity education provided, encourage their staff to do the same and follow up with staff on mandatory education requirements. ☒ Additional actions and initiatives to educate and reinforce integrity (e.g. staff performance processes and raising integrity consciousness) are being developed or reviewed. ☒ Staff know that line managers and certain functional area leaders (e.g. finance, human resources) provide advice about integrity matters. Quality still relies on an individual's knowledge.	☐ Induction is regularly updated to ensure it is contemporary, accounts for lessons learned from integrity breaches and reflects any changes to operating conditions (e.g. new policies, changed risks). ☐ An integrity education and training plan is in place and includes specific education on individual and organisational factors (red flags) for those in high risk roles. Participation in and feedback from sessions are collected and analysed to inform improvements. ☐ Leaders and line managers support and champion integrity education. They reinforce the importance of attending integrity education sessions. ☐ Staff performance processes and actions and initiatives to raise integrity consciousness reinforce key integrity messages and support good decision making. ☐ It is well documented in the code of conduct, policies and procedures who provides expert advice on integrity matters. Leaders and line managers understand their role to provide general advice and how to escalate matters as required.	☐ Integrity education is, where relevant, also in place for external stakeholders (e.g. labour hire staff, contractors and suppliers). ☐ Individuals are followed up (e.g. randomly and periodically) to determine if and how knowledge gained during integrity education is being applied in practice in the workplace. ☐ Leaders and line managers support practitioners attending external learning opportunities. A process is in place to ensure this learning is shared with others with roles and responsibilities under the integrity framework. ☐ Those who provide advice about integrity matters meet periodically to discuss advice being sought and provided, helping ensure a consistent approach with policies and procedures and advice from external integrity bodies.

Comments

The City of Cockburn appears to be at the 'Emerging' level. Whilst 4 of the 5 required characteristics from the 'Developing' level have been achieved, the opportunity exists for Group Managers to be more actively involved in the role of providing advice about integrity matter at the City of Cockburn. Such an approach would elevate this expectation to an 'Embedded' level.

Element 11: Response to integrity breaches

Integrity breaches are responded to in a timely and proportionate way to ensure integrity is sustained.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ If procedures exist, they are in place to meet compliance obligations; they provide insufficient guidance. ☒ The quality of processes and decisions varies. Basic case information (e.g. number of processes started and completed) is used for reporting. ☒ The use of data, lessons learnt from past cases and the findings of external bodies are rarely, if ever, considered. ☐ Whether integrity breaches are responded to relies on the knowledge and skills of individual line managers.	☒ Procedures and guidance on responding to breaches – including awareness raising resources to inform those responding to integrity breaches – are being developed to promote better quality processes and consistent decision making. ☐ Central recording of case information is being developed to streamline reporting. ☐ The use of data, lessons learnt from past cases and findings of external bodies are being considered as procedures are being developed. ☒ Most line managers have an understanding of what a breach looks like and how to respond.	☐ Procedures, guidance and awareness raising materials inform those involved in responding to integrity breaches, and support quality processes and consistent decision making. ☐ A quality assurance process is in place to check for consistent application of procedures. ☐ A central register captures detailed case information. It is used to monitor the progress of processes, analyse trends and outcomes, and for reporting. ☐ The use of data, lessons learnt from past cases and findings of external bodies are used to inform process improvements. ☐ Decision makers, line managers and staff conducting processes have the required knowledge and skills. They are confident to respond to, manage and escalate matters as needed.	☐ Procedures, guidance and awareness raising materials are updated regularly. This reflects results of the quality assurance process, compliance changes, contemporary practice and advice from external integrity bodies. ☐ Detailed case information is captured in a central system with advanced features such as live analytics and dashboards. It provides useful intelligence to inform trend analysis and prevention strategies. ☐ Individual (e.g. motivations) and organisational (e.g. control weaknesses) factors that might have contributed to a breach are analysed to help prevent future breaches. ☐ Decision makers, line managers and staff conducting processes proactively build their own capacity where required (e.g. staying up to date with contemporary practice, industrial decisions). ☐ Those who provide information as part of a process are followed up regarding their experience of the process and any suggestions for improvement.

Comments

The City of Cockburn appears to be at the 'Emerging' level. Only 2 of the 4 required characteristics from the 'Developing' level have been achieved. The opportunity exists to develop procedures and processes so that lessons learnt from past cases can elevate elevate this expectation to an 'Embedded' level.

Element 12: Self analysis and review

Analysis and review activities of actions to support integrity are undertaken as part of continuous improvement.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☒ Analysis and review activities of actions to support integrity rarely occurs unless it relates to compliance. ☐ Little thought has been given to whether there is value in sourcing external help with analysis and review activities. ☐ Where analysis and review activities are conducted, findings and recommendations are not always implemented.	☐ Analysis and review activities of actions to support integrity are sometimes undertaken beyond compliance. Available tools are used (e.g. snapshot tool and maturity self assessment tool). ☐ Further consideration of requirements – including the value of sourcing external help with analysis and review – are being developed as part of the integrity framework. ☒ Processes for coordinating the implementation of findings from self analysis and reviews, and recommendations from the reviews of external integrity bodies are being developed. This considers how monitoring and follow up occur.	☐ Review of the integrity framework is scheduled. Analysis and review activities are aligned to or part of risk analysis and audit processes. Analysis is undertaken to recommend improvements to the framework considering changes in legislative and operating conditions (e.g. structural and legislative). ☒ External assistance to undertake a review is sourced where needed (e.g. where a greater level of expertise and objectivity is required). ☐ A position or team is assigned to coordinate implementation of findings and recommendations from self analysis and reviews, and recommendations from the reviews of external integrity bodies (related to the authority or not) of the integrity framework (and its component parts). Progress is reported to the leadership group.	☐ Analysis and review of the integrity framework and reporting on implementation of improvement actions align with strategic and operational planning and budget cycles. ☐ Results from self analysis and review, and recommendations from the reviews of external integrity bodies (related to the authority or not) inform improvements to the integrity framework (and its component parts). Revisions (where relevant) are shared with the workforce. ☐ Benchmarking of the integrity framework and sharing of ideas occurs (where relevant and possible) with similar types of authorities to identify whether any further improvements can be made.

Comments

The City of Cockburn appears to be at the 'Developing' level. The City is developing an audit log to track all actions emerging from audit reports presented to the ARC to ensure actions have been implemented and closed as appropriate. The next step will be to present this audit log to ELT for executive comments and map a plan to present he audit log to the ARC.

Such an approach would consolidate this expectation to an 'Embedded' level.

Element 13: Oversight

Oversight is about providing the authority head assurance that the authority's approach to integrity is working as intended.

Maturity levels and their indicators: Each maturity level has 4 indicators that provide an overarching description of what the approach to integrity looks like at each level. Each level of maturity builds on the previous.

Emerging	Developing	Embedded	Excelling
• Authorities at this maturity level have an unclear approach to integrity, meaning it is partially or not documented and not fully compliant. • Integrity is not defined or well understood by staff. • Integrity actions and initiatives tend to be unplanned, inconsistent and reactive. • Accounting for integrity only relates to meeting compliance obligations.	• Authorities at this maturity level are documenting their approach to integrity and it is mostly compliant. • What integrity means is becoming clearer to staff as the tone from the top is being communicated. • Integrity actions and initiatives are being planned for and coordinated but not yet integrated. • Accounting for integrity is moving beyond compliance obligations and more towards improvement initiatives.	• Authorities at this maturity level have a clear approach to integrity, meaning it is fully documented and compliant. • Integrity is well communicated by leaders, understood by staff and integrated into business practices. • Integrity actions and initiatives are planned, fit-for-purpose, implemented and continuously refined. • Accounting for integrity is based on improvements being made from periodic assessments and supported by leadership commitment.	• Authorities at this maturity level have an approach to integrity that is fully integrated into all decision making and planning. • Integrity is modelled and reinforced by leaders and practiced by staff who understand their obligations. • Integrity actions and initiatives are flexible enough to meet integrity challenges and respond to new and emerging risks. • Accounting for integrity is based on improvements being made from ongoing assessment. Improvements are prioritised and implementation is monitored as part of a continuous improvement approach.
Characteristics			
☐ The authority head relies on informal reports about how integrity is being practiced, managed and accounted for (approach to integrity). ☐ Monitoring of the approach to integrity relies on members of the leadership group ensuring it is undertaken in their respective areas, rather than any formal process. ☒ As required, the audit committee assures finance processes and reports are sent to the authority head. ☐ Any oversight activities are ad hoc and focussed internally.	☒ The authority head is directing the development of processes and structures to obtain the information needed for oversight of the approach to integrity. This is being documented in an integrity framework. ☐ The leadership group understands their role to monitor the approach to integrity in their respective areas and provide data on request to support assurance and oversight. ☐ As the integrity framework is being developed, the collection and provision of information (beyond that required for compliance) to the authority head for assurance, is being identified and documented. ☐ Internally focused oversight activities are routinely performed and documented.	☐ Processes and structures are in place to provide the authority head with information to assist their oversight of the approach to integrity (e.g. reports). ☐ The leadership group are aware of their assurance and oversight obligations for their respective areas and are well prepared to provide updates at leadership group meetings. ☒ A committee has been established (or the role of an existing committee has been expanded) with specific responsibilities to oversight the integrity framework (and its component parts) and report to the authority head. ☒ Oversight activities associated with outsourced programs and services are being identified and documented.	☐ The authority head can provide assurance to external integrity bodies and other stakeholders (e.g. board, council, minister) that the approach to integrity is sound. ☐ The leadership group is well versed in assurance and oversight. Members are able to provide information and insights about the authority's approach to integrity and can discuss how this compares to other similar authorities (if benchmarking has been conducted). ☐ A committee provides the authority head with regular and fulsome reports about the integrity framework (and its component parts). ☐ Oversight extends to outsourced programs and services to ensure they are adequately controlled and reported on.

Comments

The City of Cockburn appears to be at the 'Developing' level. Changes to the *Local Government Act 1995* due to local government reform will require that local governments form an Audit, Risk and Improvement Committee (ARIC), to replace any current Audit Risk and Compliance Committee (ARC). Reform will require the appointment of suitably qualified and experienced professionals for the positions of Presiding Member and Deputy Presiding Member of the City of Cockburn ARIC

Following these appointments, the City will consolidate this expectation to the 'Embedded' level.

Overall, the City of Cockburn appears to be at the 'Developing' level.

11.3.2 (2025/MINUTE NO 0027) Operational Risk Register Update

Executive Chief Executive Officer
Author Risk and Governance Advisor
Attachments
1. City of Cockburn Enterprise Risk Management - Risk Assessment and Acceptance criteria ⇩
2. City of Cockburn Top 10 Operational Risks ⇩

8:00pm Cr Zhang departed the meeting.

Officer Recommendation

The Committee recommends Council RECEIVES the Operational Risk Register update.

Committee Recommendation
MOVED Cr K Allen SECONDED Cr P Corke

That Council RECEIVES the Operational Risk Register update, and requests that the Chief Executive Officer organise a workshop on the Risk Framework, to be held with the whole of Council and Independent Committee Members by the end of April 2026.

CARRIED 6/0

Background

This report provides an update to the Audit, Risk and Improvement Committee (the ARIC) on the Operational Risk Register of the City of Cockburn (the City).

This report is the first risk register update to the ARIC on the City's risk register since the 03 December 2024 Audit, Risk and Compliance Committee.

Submission

N/A

Report

Attachment 1 to this report is the City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria. This document was revised in Riskwest facilitated risk management workshops, held during April to August 2024, with Elected Members and the Executive Leadership Team.

The document is used for risk analysis and evaluation, comprehending the nature of the risk, and determining the level of risk exposure (likelihood and consequence). It was used for evaluating the risks in the risk register.

The risk level cited in this report to the ARIC is the Residual Risk, which is the risk remaining after management has taken action to alter its severity / and or likelihood by implementing risk control measures.

The City's Operational Risk Register consists of 231 risks, comprising:

- 0 risks rated Extreme risk
- 6 risks rated High risk
- 112 risks rated Moderate risk, and
- 113 risks rated Low risk.

To illustrate the risks probability and potential consequence to the City, the operational risk register composition is shown in the heat map in Figure 1 below.

Figure 1: Heat map of operational risks

		Likelihood				
		Rare 1	**Unlikely 2**	**Possible 3**	**Likely 4**	**Almost Certain 5**
Consequence	**Insignificant 1**	**Low 1 5 Risks**	**Low 2**	**Low 3 1 Risk**	**Low 4**	**Low 5**
	Minor 2	**Low 2 11 Risks**	**Low 4 70 Risks**	**Moderate 6 9 Risks**	**Moderate 8 1 Risk**	**Moderate 10 2 Risks**
	Medium 3	**Low 3 20 Risks**	**Moderate 6 64 Risks**	**Moderate 9 22 Risks**	**High 12 1 Risk**	**High 15**
	Major 4	**Low 4 6 Risks**	**Moderate 8 11 Risks**	**High 12 4 Risks**	**Extreme 16**	**Extreme 20**
	Catastrophic 5	**Low 5**	**Moderate 10 3 Risks**	**High 15 1 Risk**	**Extreme 20**	**Extreme 25**

Attachment 2 to this report lists the City's top ten operational risks. The notes and updates for the operational risks have been authorised by the Group Managers.

The City's risk governance, outlined in the City's Enterprise Risk Management Policy, provides the transparent, responsible and accountable operating model for an effective decision-making risk culture needed to identify, respond to and manage risks. It comprises risk owners, risk managers and risk action responsible persons at officer level. In this model, operational risks are owned by Group Managers, who in

turn assign risk management and risk control monitoring and effectiveness to Service Managers and other Team Members within the business unit.

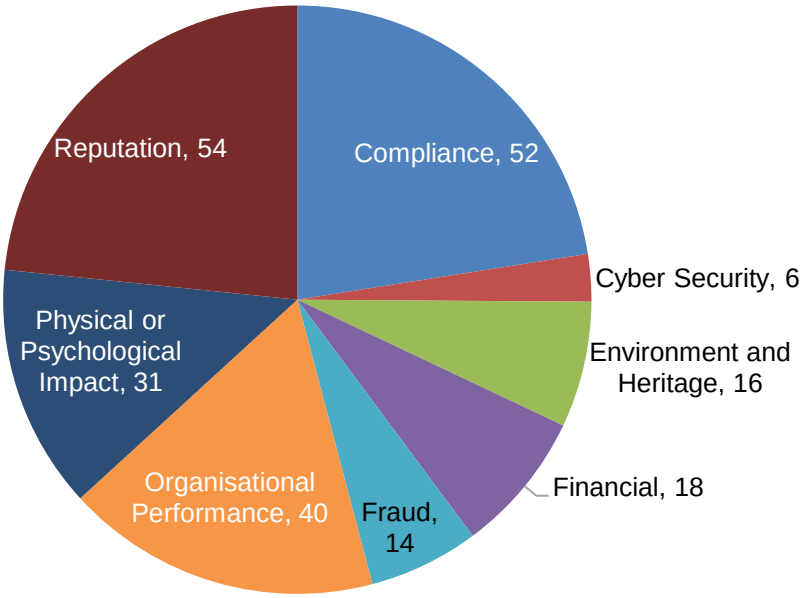
Six of the City's top 10 operational risks are climate change related. Climate change and disaster/ catastrophic events are among the top five risks identified by WA local governments, according to the 2025 JLT Public Sector Risk Report, [JLT Risk Solutions Pty Ltd].

On the global stage, on 12 October 2025, the French multinational insurance AXA corporation published its Future Risks Report 2025 Edition. This report is the result of a survey conducted from 14 May to 19 June 2025, with input from over 3,000 risk specialists across 57 countries. The risk specialists in the AXA report, ranked climate change as the top risk for the fifth consecutive year, narrowly followed by risks linked to geopolitical instability (placed 2nd) and technological threats (placed 3rd). The AXA report highlights that the threats, both current and emerging to world uncertainty, continue to be driven by climate change and an increasingly polarised world concerned about decline of social and political cohesion and technological risks (comprising artificial intelligence big data and cyber security).

Figure 2 below illustrates the 231 operational risks sorted according to the identified 8 risk categories:

- Compliance
- Cyber Security
- Environment and Heritage
- Financial
- Fraud
- Organisational Performance
- Physical or Psychological Impact, and
- Reputation.

Figure 2: City of Cockburn 231 operational risk by category, and quantity



Strategic Plans/Policy Implications

Our Governance
Transparent leadership that listens, communicates openly and plans for a sustainable future.
• Facilitate transparent and accountable governance for today and tomorrow.
• Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

Local Government (Audit) Regulations 1996 r17 CEO to review certain systems and procedures.

Community Consultation

N/A

Risk Management Implications

Risk management oversight and review is a function of the ARIC.

The ARIC is required to review the City's Strategic and Operational Risk as part of the City's risk management practices.

The ARIC's oversight of the Risk Register review report supports continuous improvement of risk management processes.

Failure to adopt this report will result in a High risk to the City in its ability to support an integrated and effective approach to risk management and continually improve its risk management processes.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

City of Cockburn Enterprise Risk Management – Risk and Opportunity Impact, and Assessment and Acceptance Criteria

Measure of (Positive or Negative) Consequence or Impact

Negative Consequence/Impact

Category		Compliance	Cyber Security	Environment and Heritage	Financial	Fraud	Organisational Performance	Physical or Psychological Impact	Reputation	Likelihood/Probability: Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
										The event may occur only in exceptional circumstances, < Once in 5 years, Probability <5%	The event could occur at some time, At least once in 5 years, Probability 5-25%	The event should occur at some time, At least once in 3 years, Probability 25-75%	The event will probably occur in most circumstances, Once per year, Probability 75-95%	The event is expected to occur in most circumstances, > once per year, Probability >95%
Insignificant Negative Impact	Insignificant 1	No noticeable regulatory or statutory impact.	Scanning or reconnaissance, Negligible effect on organisation.	Low localised event with no broader environmental or heritage impacts.	<$1 million	Single opportunistic dishonest activity or asset misappropriation. Internal or external.	Impact managed through normal business practices.	No residual physical injuries. No expected psychological impact.	Isolated individual's issue-based compliant, No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5
Minor Negative Impact	Minor 2	Some temporary non compliances.	Low-level malicious attack; targeted reconnaissance, phishing, non-sensitive data loss,	Minor localised and short-term negative impact on environmental and/or heritage assets.	$1m ≤ and <$5m	Theft of confidential or personal information, or intellectual property. Repetitive dishonest activity or asset misappropriation. Internal or external	Impact requires additional local management effort or response or redirection of resources to respond.	Minor physical injury. No Lost Time Injury (LTI). Minor psychological impact.	Local community impacts or issue-based concerns.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Medium Negative Impact	Medium 3	Short term non-compliance but with significant regulatory requirements imposed,	Malware, beaconing or other active network intrusion, temporary system / service disruption, Loss of confidentiality, integrity, or availability causes limit	Short term but recoverable environmental degradation. Significant but rectifiable damage to valued heritage asset,	$5m ≤ and < $10m	Falsifying financial or procurement records to obtain an improper or financial benefit. Internal or external.	Delays to critical operations. Administration of project or activity subject to significant review or change, One or more business objectives only partially achieved. Impact requires short term significant management and organisational resources to respond.	Reportable physical injury requiring professional treatment. Psychological impact requiring professional treatment.	Customer or community impacts and concerns publicly expressed. Reduced confidence by customers, community, and other stakeholders, Short term adverse social media.	Low 3	Moderate 6	Moderate 9	High 12	High 15
Major Negative Impact	Major 4	Significant breach of legal obligations results in termination of activities, imposed penalties or civil actions,	Exfiltration or deletion / damage of key sensitive data or intellectual property, Loss of confidentiality, integrity, or availability causes some adverse effect on organisation,	Severe damage, loss or impairment (> 1 year to remediate or recover) of a significant ecosystem/threatened species (flora and/or fauna) Large scale damage or partial loss requiring long term remediation of a valued heritage asset,	$10m ≤ and < $20m	Persistent planned or systematic dishonest activity or asset misappropriation. Internal or external.	Sustained disruption to critical operations Majority of business objectives only partially Impact requires long term significant management and organisational resources to respond.	Serious injury/illness requiring immediate emergency response or prolonged hospitalisation, Serious psychological injury requiring medium/long term professional medical treatment, counselling, or intervention.	Considerable and prolonged customer or community impact and dissatisfaction publicly expressed, Criticism and loss of confidence and trust in organisations processes and capabilities, Organisation's integrity in question, Significant media attention / prolonged social media campaign, Council intervention.	Low 4	Moderate 8	High 12	Extreme 16	Extreme 20
Catastrophic Negative Impact	Catastrophic 5	Significant breach of legal obligations results in termination of activities, imposed penalties or civil actions.	Severe breach of legal obligations results in criminal charges or loss of required operating licenses.	Permanent loss of significant ecosystem or threatened/vulnerable species (flora and/or fauna), Permanent, total and irreplaceable loss of national and internationally valued state heritage.	≥ $20 million	Irretrievable losses of significant assets or resources through dishonesty, deception or corrupt use of powers causing significant damage to the financial position of the organisation.	Total loss of critical operations, Non achievement of all business objectives. Impact cannot be managed within the organisation's existing resources and threatens survival of the organisation.	Death or severe permanent disablements, Permanent/long term psychological damage requiring extensive remedial intervention.	Significant adverse community impact and condemnation, Consistent ongoing community loss of confidence and trust in organisation's capabilities and intentions. High widespread media across multiple sources.	Low 5	Moderate 10	High 15	Extreme 20	Extreme 25

Positive Consequence/Impact

Category		Compliance		Environment and Heritage	Financial		Organisational Performance	Physical or Psychological Impact	Reputation	Likelihood/Probability: Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
										The event may occur only in exceptional circumstances, < Once in 5 years, Probability <5%	The event could occur at some time, At least once in 5 years, Probability 5-25%	The event should occur at some time, At least once in 3 years, Probability 25-75%	The event will probably occur in most circumstances, Once per year, Probability 75-95%	The event is expected to occur in most circumstances, > once per year, Probability >95%
Significant Positive Impact	Insignificant 1	Beyond Compliance' approach and outcomes considered as national or international 'best practice',		Permanent improvement in a significant ecosystem or threatened/vulnerable species (flora and/or fauna), Permanent and total benefit to a nationally and internationally valued state heritage asset	≥ $20 million		Long term viability certain, All services, programs and activities being delivered effectively and efficiently, All planned outcomes achieved,	Significant and ongoing physical and/or psychological benefits to the entire Local Government.	Significant, widespread, and ongoing positive community response. Strong community confidence and trust in organisation's capabilities and intentions publicly expressed. High widespread positive media across multiple sources.	Low 5	Moderate 10	High 15	Compelling 20	Compelling 25
Major Positive Impact	Minor 2	'Beyond Compliance' approach and outcomes considered as 'best in sector',		Significant beneficial impact on ecosystem/threatened species (flora and/or fauna), Large scale sustained benefit to a valued state heritage asset,	$10m ≤ and < $20m		Long term viability improved, Majority of critical outcomes achieved, or a single critical outcome achieved. Positive benefits sustained as part of Business as Usual.	Widespread ongoing material physical and/or psychological benefits across the Local Government.	Widespread positive customer or community response publicly expressed. Increased levels of confidence and trust in organisations processes and capabilities, Significant positive media attention.	Low 4	Moderate 8	High 12	Compelling 16	Compelling 20
Medium Positive Impact	Medium 3	Noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly,		Medium term environmental enhancements, Significant medium term positive impact on valued heritage asset,	$5m ≤ and < $10m		Short- or medium-term improvements in the effective and efficient delivery of critical services or programs, Successful delivery of one or more critical outcomes with limited need to allocate greater resources,	Material physical and/or psychological benefits to some areas of the Local Government,	Positive customer or community responses publicly expressed, Improving confidence by customers, community and other stakeholders, Short term positive media / social media attention	Low 3	Moderate 6	Moderate 9	High 12	High 15
Minor Positive Impact	Major 4	Noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly,		Minor localised and short-term positive impact on environmental and/or heritage assets.	$1m ≤ and <$5m		Improvements in the effectiveness and efficiency of multiple business practices in the short term,	Physical and/or psychological benefits to areas of the Local Government,	Positive localised community responses. Limited media, if any.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Insignificant Positive Impact	Catastrophic 5	Isolated but noticeable improvements in legal (regulatory, statutory, contractual) impacts.		Low-level localised positive environmental / heritage improvements or benefits.	<$1 million		Normal business practices improved in the short term,	Physical and/or psychological benefits to individuals,	Isolated individual's issue-based compliment, No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5

Level of Negative Risk	Criteria for Managing Residual Risk	Level of Positive Risk	Criteria for Managing Opportunity	Reporting to	Who is Responsible
Low (1 – 5)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Low (1 -5)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Annual reporting to Audit, Risk and Compliance Committee.	Risk owner
Moderate (6 – 11)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Moderate (6 – 11)	Static embrace of opportunity with adequate controls, (Subject to alignment with risk tolerance and appetite),	Annual reporting to Audit, Risk and Compliance Committee,	Risk owner
High (12 – 15)	Requires excellent controls. Refer to CEO/Director for acceptance decision,	High (12 – 15)	Actively pursue with excellent control environment, (Subject to alignment with risk tolerance and appetite), Refer to CEO/Director for acceptance decision,	Monthly reporting to CEO, Quarterly reporting to Audit, Risk and Compliance Committee,	CEO / Director
Extreme (16 – 25)	Unacceptable, Refer to Council / CEO for next steps.	Compelling (16 – 25)	Vigorously pursue with excellent control environment, (Subject to alignment with risk tolerance and appetite), Refer to Council/CEO for next step.	Immediate and ongoing reporting to CEO, Audit risk and Compliance Committee, and Council	Council / CEO

Control Ratings		
Level	Descriptor	Description
R	Robust	Controls are adequate and fully effective, Overall control environment provides strong assurance that the risk is being managed, Control objectives are being met and no material improvements to controls have been identified,
A	Adequate	A few specific control weaknesses noted; however, the overall control environment is adequate and effective and provides reasonable assurance that the risk is being managed, Certain controls may require improvement to ensure that the overall environment will continue to operate effectively,
I	Inadequate	Numerous specific controls weaknesses or gaps were noted, Overall control environment is not adequate or effective and fails to provide reasonable assurance that risks are being managed and control objectives are being met, The control environment needs improvement,

Physical or Psychological Impact Hierarchy of Control		
Effectiveness	Control Methodology	Impact on Unwanted Event (Hazard), and Examples
100% Effective	Elimination	Remove the hazard, or unwanted event, completely or discontinue the process or practice, *For example, if the electric cable from a stage microphone is a trip hazard, use a wireless microphone instead,*
	Substitution	Replace a hazardous or vulnerable system, material, practice or process with one that presents a lower risk, *For example, if an outdoors event is conducted during a summer day, use of market umbrellas could be substituted by providing marquees or shade sails,*
	Isolation	Use lockable barriers to restrict unauthorised access and separate people from hazard, practice, or process, *For example, install guards on machines where there is a risk of a person being trapped in a machine,*
	Engineering	Change the physical characteristics of the practice or process through engineering design, *For example, provide ramps if patrons in wheelchairs will be attending an event,*
	Administrative	Establish appropriate policies, practices, procedures, guidelines and operating instructions to control exposures to unwanted events, *For example, if an event requires the serving of alcohol, ensure that bar employees have been trained in 'Responsible Service of Alcohol',*
≤20% Effective	Personal Protective Equipment	Provide appropriate safety equipment, *For example, traffic controllers need to be provided with long sleeves, long trousers, wide brimmed sunhats and high visibility safety vests,*

Increasing Effectiveness

Document Set ID: 9681759
Version: 11, Version Date: 05/08/2025

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
9	Public health decline from climate change	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures, and extreme weather events).	1. Increased pressure on emergency and social services;	Community dissatisfaction; Reputational impact; Breakdown of assets; Sustainability targets not met; Degradation of natural environment; Decline in community health and wellbeing; Low adaptive capacity.	1. Early warning systems.	**ADEQUATE**	Reputation; Operations; Environment.	**Catastrophic 5**	**Possible 3**	**High 15**	TOLERATE	Group Manager Development and Safety ELT Member: Director Sustainable Development and Safety	1. Review existing warning systems and identify potential gaps and opportunities for improvement;	Public health and climate resilience measures are being embedded into the City's Climate Change Adaptation Plan and Environmental Sustainability Strategy. Community preparedness and education campaigns are being delivered to raise awareness of heat health, emergency readiness, and resilience practices. The City is partnering with WA Health and local service providers to monitor health risks associated with temperature changes, vector-borne disease, and air quality. Vulnerable assets and community locations are being assessed to ensure response and continuity plans are in place for extreme weather events.
			2. Reduced public safety, health and / or wellness or loss of life;		2. Local Emergency Risk Management Plan;								2. Review, update and implement the Local Emergency Risk Management Plan.	
			3. Legal, financial and reputational damage to the City;		3. Bushfire Risk Management Plan;								3. Review, update and implement the Bushfire Risk Management Plan;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
			4. Increased insurance premiums;		4. Public Health Plan;								4. Review, update and implement the Public Health Plan;	
			5. Reduced liveability of the City, and financial loss to the City;		5. Education.								5. Undertake a climate change health vulnerability assessment and map vulnerable residents and areas;	
			6. Greater demand for resources to accommodate displaced persons.											
8	Community infrastructure damage from climate change impacts	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures and extreme weather events).	Climate change.	Reduced liveability of the City; Financial loss to the City; Increased insurance premiums; Increased pressure on emergency services; Increased operational costs and peak energy demand for utilities; Reduced public safety; Increased repair costs and insurance	1. Local Emergency Risk Management Plan;	**ADEQUATE**	Reputation; Operations; Environment.	**Major 4**	**Possible 3**	**High 12**	TOLERATE	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety	1. Review, update and implement the Bushfire Risk Management Plan and Local Emergency Risk Management Plan.	The Emergency Risk Management Plan identifies hazards that may affect the City of Cockburn's community and environment, based on likelihood and potential impact. This process enables the City to plan, prepare for, and mitigate emergencies effectively. Workshops involving emergency agencies, community members, and key organisations will be held to assess community exposure and prioritise risks. These findings will inform the development of the plan. The City will lead risk assessment workshops and prepare the plan, with work commencing

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
				premiums; Legal, financial and reputational damage to the City.										in March 2025. The City has also participated in the Department of Fire and Emergency Services' Community Disaster Resilience Program to strengthen preparedness and community resilience.
					2. Bushfire Risk Management Plan;								2. Ensure all City owned buildings (within Bushfire Prone Areas) have Bushfire Risk Assessments completed;	
					3. Environmentally Sustainable Design (ESD) requirements.								3. Design building for climate resilience and improve energy management, through implementation of ESD guidelines;	
					4. Fire risk mitigation actions;								4. Review capacity of existing Council buildings to withstand more severe weather events; Consistent with Planning Policy provisions continue to ensure: • all proposed Structure Plans are accompanied and informed by a Bushfire Management Plan • new building design approval process (within Bushfire Prone	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													Areas) incorporate bush fire management.	
152	Tree canopy decline	Decline in the extent of canopy cover across the City as a consequence of poor maintenance or the impact of pests and diseases.	Lack of resources; Lack of staff training; Lack of community awareness; Environmental conditions; Unauthorised removal of trees.	Loss of biodiversity; Reduced ecosystem health, function, and resilience; Decreased ability of ecosystems to provide ecosystem services (carbon sequestration, provision of clean air, water filtration, public amenity, etc.).	1. City of Cockburn Urban Forest Plan 2018-2028;	**ADEQUATE**	Reputation; Operations; Environment.	**Major 4**	**Possible 3**	**High 12**	TOLERATE	Group Manager Parks, Fleet and Waste ELT Member: Director Infrastructure Services		Continued rollout of the Urban Forest Plan, including scheduled planting programs and canopy monitoring across priority suburbs. Increased frequency of tree health inspections and pruning cycles to mitigate risks of decline due to poor maintenance. Ongoing surveillance for Polyphagous Shot Hole Borer (PSHB). collaboration with DPIRD for containment and eradication measures, and hygiene protocols implemented for contractors and staff to prevent spread. Annual canopy cover assessment using aerial imagery and GIS mapping completed. Integration of canopy health indicators into the City's asset management system for proactive intervention. Business case in development to justify the addition of a dedicated Urban Forest Officer to manage increasing tree-related customer requests and support proactive canopy health management.

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					2. City of Cockburn Street and Reserve Tree Management Policy;									
					3. City of Cockburn Local Planning Policy LPP5.8 Subdivision & Development – Street Trees;									
					4. City of Cockburn Street Tree Master Plan;									
					5. City of Cockburn Strategic Community Plan 2020-2030;								Presentations have been made to the Executive Leadership Team and Elected Members .	Presentations have been made to the Executive Leadership Team and Elected Members .
					6. City of Cockburn Natural Area Management Strategy 2012-2022 (2018 Review);									
					7. City of Cockburn Parks and Environment Asset Management Plan 2020 – 2024;									

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					8. City of Cockburn Climate Change Strategy 2020-2030;									
					9. City of Cockburn Dieback Management Procedures 2021;									
					10. Department of Primary Industries and Regional Development Biosecurity and Agriculture Management Regulations 2013 – Quarantine Area Notice – Perth Metropolitan Local Government Authority Boundaries – Polyphagous Shot-Hole Borer (Eucallacea fornicatus);								We have engaged Department of Primary Industries and Regional Development (DPIRD) to train our employees in how to identify and report PSHB symptoms and signs.	We have successfully engaged the Department of Primary Industries and Regional Development (DPIRD) to deliver targeted training to our staff. The training focuses on identifying symptoms and signs of Polyphagous Shot Hole Borer (PSHB) and understanding the correct reporting protocols. Initial sessions have been scheduled, and materials provided by DPIRD are being integrated into our operational procedures. Staff feedback has been positive, and we anticipate improved early detection and response capability as a result.
													We are engaging in ongoing DPIRD, LGA and WALGA and CEO working groups to share information.	We are actively participating in ongoing working groups facilitated by DPIRD, WALGA, and the Local Government Authority (LGA). These sessions provide valuable opportunities to share updates, align strategies,

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
														and collaborate on managing the risks associated with PSHB. The information exchange has strengthened our regional response and informed our internal planning and staff training initiatives.
					11. City of Cockburn Significant Tree list;									
					12. Environmental strategies and action plans;								The City is not planting reproductive host species as part of our ongoing planting program.	As part of our proactive risk mitigation strategy for PSHB, the City has excluded known reproductive host species from its ongoing planting program. This approach aligns with DPIRD guidance and reduces the likelihood of PSHB establishment and spread within our managed landscapes. Species selection is being reviewed regularly to ensure continued compliance and ecological suitability.
					13. Proactive inspections of high-risk reproductive tree species;								Since we became aware of Polyphagous Shot-Hole Borer (PSHB) infestations occurring in our local government area we have created a data layer in ESRI that identifies susceptible species in our	Complete.

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													street tree City wide.	
					14. Annual dieback mapping and treatment program;									
					15. Dedicated Resources;									
					16. Street Tree asset register; Watering Program;									
					17. Parks tree asset register at major regional reserves;									
					18. Scheduled maintenance;									
					19. Annual maintenance budget;									
					20. Ad hoc Inspections by Council officers;									
					21. Response to									

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					notified hazards;									
					22. Utilisation of qualified tree contractors to undertake works;								We have engaged contractors to conduct proactive aerial inspections of 184 trees on our northern border to identify any possible street tree impact to our susceptible tree species.	Complete.
					23. Root grinding (reactive);									
					24. Installation of tree root barriers;									
					25. QTRA Training.									

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
10	Biodiversity loss from climate change impacts	Damage to or loss of biodiversity and natural habitat, caused by climate change impacts (decreased rainfall and increased bushfires, temperatures, and extreme weather events).	Climate change.	Loss of biodiversity; Reduced ecosystem health, function, and resilience; Decreased ability of ecosystems to provide ecosystem services (carbon sequestration, provision of clean air, water filtration, public amenity, etc.).	1. Bush Fire and Emergency Management plans;	**ADEQUATE**	Reputation; Operations; Environment.	**Major 4**	**Possible 3**	**High 12**	TOLERATE	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety	1. Review and implement the Coastal Adaptation Plan with latest climate science, scenario mapping and WALGA recommendations ;	In line with the current Coastal Adaptation Plan, the City has noted the following in its new Local Planning Strategy (endorsed by WA Planning Commission 28 October 2024): *- Insert a Special Control Area (SCA) and necessary development controls for vulnerable coastal areas into the Local Planning Scheme, in accordance with State Planning Policy 2.6 'State Coastal Planning Policy', the Coastal Hazard Risk Management and Adaptation Planning (CHRMAP) Guidelines and the City's Coastal Adaptation Plan (as amended). Consider the outcomes of the Coastal Hazard Risk Management Adaptation Plan process currently under preparation by the City to inform* a potential local planning scheme amendment. This may also lead to future changes in the next local planning scheme (once the CHRMAP is updated).
					2. Natural Area Management Strategy;								2. Review and maintain ongoing coastal monitoring program;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					3. Landowner Biodiversity Conservation Grants;								3.Receive legal advice to clarify the liability of the City in the event of coastal climate change risk scenarios;	
					4. Habitat creation rebates;								4. Prepare site specific foreshore management plans.	
					5. Waterwise Verge Grants;									
					6. Environmental Education Program.									
11	Coastal impacts from sea level rise	Legal liability and damage to or loss of natural environment, infrastructure, and coastal land, caused by sea level rise.	Rising sea levels.	Loss of coastal ecosystem health and function; Increased maintenance and repair costs to buildings; Reduced liveability of the City; Increased insurance premiums; Financial loss and reputational damage to the City.	1. Coastal Adaptation Plan;	**ADEQUATE**	Reputation; Operations; Environment.	**Medium 3**	**Likely 4**	**High 12**	TOLERATE	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety	1. Review and implement the Coastal Adaptation Plan with latest climate science, scenario mapping and WALGA recommendations ;	GHD is continuing work on the City's Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The CHRMAP is expected to be completed by April 2026.
					2. Coastal monitoring program;								2. Review and maintain ongoing coastal monitoring program;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					3. Cockburn Sound Coastal Alliance;								3. Receive legal advice to clarify the liability of the City in the event of coastal climate change risk scenarios;	
					4. Project specific vulnerability studies;								4. Prepare site specific foreshore management plans;	
					5. State Planning Policy 2.6 application to any new developments;								5.On-going coastal monitoring continues;	
					6. CSCA Coastal vulnerability and adaptation studies;								6. Legal advice received (via WALGA joint initiative) early 2021;	
					7. The preparation of the Coastal Hazard Risk Management and Adaptation Plan;								7. Foreshore Management Plan finalised for Coogee Beach late 2020;	
					8. Rock revetment design;								8. Design study progressing for C Y O'Connor Beach.	
					9. Sand bypassing and sand nourishment.									

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
12	Community support	Failure to obtain community support for strategic planning functions.	Poor consultation with the community; Poor approach to formulation of strategic ideas Poor governance of strategic planning function.	Financial losses; Reputational damage; Poor Planning outcomes.	1. Detailed consultation planning for projects;	**ADEQUATE**	Reputation; Operations; Stakeholder impact.	**Major 4**	**Possible 3**	**High 12**	ACCEPT	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety	1. Extensive internal planning goes into community engagement in strategic planning;	Most strategic planning projects have advertising processes (controlled by State Government) rather than specific community engagement. Planners can only undertake community engagement for specific and occasional projects. These are carried out in line with an approved community engagement plan (approved by the City's engagement team).
					2. Procedures and policies;								2. Reviewed both likelihood and consequence and both appear to reflect the nature of this risk;	
					3. Training and development.								3. Four (4) further officers are attending community engagement training in the next few months;	
													4. Risk controls remain effective. Recent example of engagement on the Yangebup Revitalisation Strategy was recognised by the City's Community Engagement Officer as a gold star example of engagement;	
													5. Controls implemented - works well.	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
15	Landfill capping	Failure to fund the capping of existing exposed landfill.	No forward planning or business development; Lack of adequate financial reserves; Restrictions imposed by regulatory authorities; Using Waste and Recycling Reserve for community infrastructure projects; Inadequate annual transfers back to Reserve; Henderson Waste Recycling Park reduced annual surplus.	Leachate levels build up and spill to outside liner; Soils remediation required; Fines from Regulator; Financial loss; Damage to reputation; Operational loss.	1. Leachate Management Plan; Post Closure Management Plan;	**ADEQUATE**	Reputation; Operations; Environment Compliance.	**Catastrophic 5**	**Unlikely 2**	**Moderate 10**	REDUCE	Group Manager Parks, Fleet and Waste ELT Member: Director Infrastructure Services	1. Implement the Post Closure, Leachate Management Plans and the Henderson Waste and Recycling Park (HWRP) Financial Model;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					2. Henderson Waste and Recycling Park (HWRP) Financial Model;								2. The HWRP Financial Model requires that significant funds are available to meet the City's obligations under our Licence requirements in capping and post closure for 2019-2020; An Information Paper was prepared for the capping of Cell 6 for Executive. The Draft Waste Strategy and appendix - 10 Year Financial Plan, has been reviewed by the Executive who has accepted the capping and post closure costs;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					3. Cell 7 capping and leachate pond construction can't safely occur at the same time, whilst keeping the site operational. A decision was made to defer Cell 7 Capping, on the basis that the new leachate pond construction will mitigate any risk of additional leachate being deposited. This information formed part of DWER's decision to allow the City to commence landfilling on Cell 4 & 5 and DWER are comfortable that the construction of the leachate pond will be sufficient to mitigate any risks of excessive								3. The City's Landfill consultant is currently preparing the cap design for submission to the Department of Water and Environmental Regulation (DWER) and for inclusion in the Tender for the Capping Construction Contractor; The Executive has confirmed, through the Landfill Financial Rehabilitation Model, that $5 M will be available in 2021-2020 budget for the capping of Cell 6 and the remaining uncapped cells (when all the available airspace is consumed; Cell 6 was capped in 2020.	Cell 7 Capping Project remains deferred, further site invesigations determined sdditional airspace availble. Leacheate concerns have been mitigated by the construction of a new storage pond.

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					leachate generation.									
													4. The City has reduced gate rate for major customers to attract tonnes in order to complete 3 other open cells that will require capping in the next 2 decades;	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													5. The cost to cap the remaining cells (4, 5 and 7) is $17.5M and the operating cost to manage the Site until 2063 is $10.5m. The current Reserve balance is $12.5m. With the energy from waste plants due for completion in 2022, there is a narrow window for landfill to generate sufficient income through the sale of airspace to establish a reserve of a minimum of $28m.	
													6. The current strategy to increase the Waste and Recycling Reserve will not be adequate.	
													6. The current strategy to increase the Waste and Recycling Reserve will not be adequate.	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
16	Reduced water availability from decreased rainfall	Decreased liveability, reduced water availability, loss of urban vegetation and biodiversity caused by climate change impacts (decreased rainfall).	Climate change.	Reduced liveability of the City; Financial loss as a result of loss of trees and vegetation in parks and streetscapes; Increased operational costs and demand for utilities; Reduced water availability.	1. Urban Forest Plan;	**ADEQUATE**	Reputation; Operations; Environment.	**Minor 2**	**Almost certain 5**	**Moderate 10**	TOLERATE	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety	1. Implement Urban Forest Plan;	The City's Urban Forest Plan remains unresourced in terms of its strategic actions. There are some operational resources (2 x Urban Forest Officers undertaking the City's planting program) but not the strategic work necessary outlined in the Urban Forest Plan (extract below) to see any change from 'business as usual'. Until these are resourced there is no improvement to this risk: An Urban Forest Officer will be required to deliver the City's aspirations for an enhanced shade canopy across road reserves, parks and sporting ovals. The Officer will review, amend and create new policies that drive tree establishment within new and existing suburban environments. The Officer will be responsible for engaging with residents, community groups, sporting clubs and corporate entities to deliver an education program and articulate the importance of trees as a highly valued asset. Additionally the Officer will be responsible for the following tasks: • Establishment of the baseline data,

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
														monitoring and reporting on progress towards the targets; • Update the tree inventory database; • Oversee the audit of trees in streetscapes, parks and sporting ovals; • Establish theoretical canopy size; • Undertake thermal imaging and report on outcomes; • Integrate tree planting schedules with development proposals; • Liaise with internal stakeholders to engender tree retention; • Establish a community street tree and park planting program in addition to existing community planting events; • Establish promotional literature and videos to support community education.
					2. Waterwise Council accreditation;								2. Review and Implement Water Efficiency Action Plan to address climate change;	
					3. Environmentally Sustainable Design (ESD) requirements.								3. Implement Water Sensitive Urban Design initiatives;	All subdivision developments incorporate Water Sensitive Urban Design (WSUD) principles as a standard for Public Open Space (POS) design. Irrigation renewals in City parks are guided by hydrozoning practices,

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
														ensuring water is directed primarily to actively used turf areas, thereby reducing overall water consumption.
					4. Environmental Education Programs.								4. Conduct water audit;	
													5. Maintain dialogue with Water Corporation to enhance storm water drainage systems on Wetlands.	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
17	Urban forest decline from climate change	Urban forest decline caused by climate change impacts (increased temperatures and decreased rainfall).	Climate change.	Reduced liveability and decreased public amenity of the City; Amplification of the urban heat island effect; Unable to irrigate trees and plants as a result of water licence restrictions and reduced water availability; Increased costs to meet irrigation requirements, pest treatment and / or replanting vegetation and urban forest.	1. Urban Forest Plan;	**ADEQUATE**	Reputation; Operations; Environment.	**Minor 2**	**Almost certain 5**	**Moderate 10**	TOLERATE	Group Manager Growth and Sustainability ELT Member: Director Sustainable Development and Safety		The City's Urban Forest Plan remains unresourced in terms of its strategic actions. There are some operational resources (2 x Urban Forest Officers undertaking the City's planting program) but not the strategic work necessary outlined in the Urban Forest Plan (extract below) to see any change from 'business as usual'. Until these are resourced there is no improvement to this risk: An Urban Forest Officer will be required to deliver the City's aspirations for an enhanced shade canopy across road reserves, parks and sporting ovals. The Officer will review, amend and create new policies that drive tree establishment within new and existing suburban environments. The Officer will be responsible for engaging with residents, community groups, sporting clubs and corporate entities to deliver an education program and articulate the importance of trees as a highly valued asset. Additionally the Officer will be responsible for the following tasks: • Establishment of the baseline data,

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
														monitoring and reporting on progress towards the targets • Update the tree inventory database • Oversee the audit of trees in streetscapes, parks and sporting ovals • Establish theoretical canopy size • Undertake thermal imaging and report on outcomes • Integrate tree planting schedules with development proposals • Liaise with internal stakeholders to engender tree retention • Establish a community street tree and park planting program in addition to existing community planting events • Establish promotional literature and videos to support community education.
													1. Design building for climate resilience and improve energy management, through implementation of ESD guidelines;	An Urban Forest Officer will be required to deliver the City's aspirations for an enhanced shade canopy across road reserves, parks and sporting ovals. The Officer will review, amend and create new policies that drive tree establishment within new and existing suburban environments.

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
					2. Waterwise Council accreditation;								2. Ensure all City owned buildings (within Bushfire Prone Areas) have Bushfire Risk Assessments completed;	
					3. Water Efficiency Action Plan.								3. Review capacity of existing Council buildings to withstand more severe weather events;	
													4. Consistent with Planning Policy provisions continue to ensure: • all proposed Structure Plans are accompanied and informed by a Bushfire Management Plan • new building design approval process (within Bushfire Prone Areas) incorporate bush fire management;	The Officer will be responsible for engaging with residents, community groups, sporting clubs and corporate entities to deliver an education program and articulate the importance of tress as a highly valued asset.
													5. Review, update and implement the Bushfire Risk Management Plan and Local Emergency Risk Management Plan.	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
288	Child safe organisation	Failure by the City of Cockburn to resource for, and anticipate legislative requirements, to comply with the National Principles for Child Safe Organisations.	Failure by the City of Cockburn to notify allegations of, or convictions for, child abuse by the City's employees to the Ombudsman and then investigating these allegations, which will be supervised and reviewed by the Ombudsman, pursuant to the *Parliamentary Commissioner Amendment (Reportable Conduct) Bill 2021*. The Bill, introduced in the Western Australian Parliament on 24 November 2021 to establish a Reportable Conduct Scheme in Western Australia, passed the Legislative Assembly on 06 April 2021 and was introduced to the Legislative Council on 07 April 2022.	Failure by the City to notify the Ombudsman of child abuse, investigate fully and protect children from abuse within the City may lead to: • compliance breach of proposed legislation, the *Parliamentary Commissioner Amendment (Reportable Conduct) Bill 2021* requiring investigation by the Ombudsman; • high media attention; • public complaint; • reputational damage to the City; • public embarrassment; • imprisonment or fine.	1. High level of awareness amongst senior managers of City of Cockburn relating to: (a) key recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse; and (b) proposed legislation, i.e., *Parliamentary Commissioner Amendment (Reportable Conduct) Bill 2021*.	**INADEQUATE**	Reputation; Operations; Stakeholder impact; Compliance.	**Catastrophic 5**	**Unlikely 2**	**Moderate 10**	ACCEPT	Group Manager Recreation and Place ELT Member: Director Community and Place	1. Develop policy to assist the City to comply with impending Western Australian government legislation.	The Code of Conduct has been updated to include obligations in regard to interactions with vulnerable groups including children. The Code of Conduct already outlines reporting requirements.

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													2. Develop and promote an organisational framework comprising people and experience to assist the City to comply with impending Western Australian government legislation by supporting employees to: (a) speak up about concerning behaviours to help prevent child abuse; (b) assist to improve organisational systems and processes for preventing and dealing with child abuse; and (c) enable submission of complaints and reports of abuse about their staff.	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													3. Promote awareness through employee training or inductions of the National Principles for Child Safe Organisations as outlined by the Child Safe Organisations National Principles, Australian Human Rights Commission, Sydney 2018, summarised as follows: A child safe organisation consciously and systematically - • creates an environment where children's safety and wellbeing is the centre of thought, values and actions • places emphasis on genuine engagement with, and valuing of children • creates conditions that reduce the likelihood of harm to children and young people • creates conditions that increase the likelihood of identifying any harm	

City of Cockburn 10 Top Operational Risks

Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating:	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Progress update and notes to report to the 25 Nov ARIC
													• responds to any concerns, disclosures, allegations or suspicions.	

11.3.3 (2025/MINUTE NO 0028) Strategic Risk Register Update

Executive	Chief Executive Officer
Author	Risk and Governance Advisor
Attachments	1. City of Cockburn Enterprise Risk Management - Risk Assessment and Acceptance Criteria ⇩ 2. City of Cockburn Strategic Risk Register ⇩

8:03pm Cr Zhang returned to the meeting.

Committee Recommendation
MOVED Cr C Reeve-Fowkes SECONDED Cr K Allen

That Council RECEIVES the Strategic Risk Register Update.

CARRIED 7/0

Background

This report provides an update to the Audit, Risk and Improvement Committee (the ARIC) on the Strategic Risk Register of the City of Cockburn (the City).

This report is the first risk register update to the ARIC on the City's strategic risk register since the 03 December 2024 Audit, Risk and Compliance Committee.

Submission

N/A

Report

Strategic risks reflect the internal and external forces capable of causing uncertainty on the City's long-term positioning and performance or its ability to achieve its business strategies or strategic objectives articulated in its Strategic Community Plan. For effective risk governance, strategic risks are owned and managed by individual member of the City's Executive Leadership Team (ELT).

Table 1 below summarises the City's 13 strategic risks, which were identified in Riskwest-facilitated risk management workshops, held during April to August 2024, with Elected Members and the Executive Leadership Team.

Table1: City of Cockburn strategic risk register summary

Risk No.	Risk name	Risk description	Level of risk
1	Financial sustainability	Failure to ensure the financial viability and long-term sustainability of the City.	**Moderate 8**
2	Economic development	Failure to engage and partner with business and development stakeholders to promote, advocate and support opportunities to live, work and invest in the City.	**Moderate 6**
3	Environmental protection and management	Council plans, decision making processes and/or activities fail to effectively and responsibly support the management, protection and improvement of its natural environment (areas, bushlands, parks and open spaces).	**Moderate 9**
4	Sustainable Resource Management - Water	Failure to manage both the use of and impact on water supply across the City's activities in a sustainable and responsible way.	**Moderate 6**
5	Sustainable Resource Management - Energy	Failure to manage the use of energy across the City's activities in a sustainable and responsible way.	**Moderate 6**
6	Sustainable Resource Management - Waste	Failure to manage waste across the City's activities in a sustainable and responsible way.	**Moderate 6**
7	Climate Change	Failure to manage both the impact of climate change, as well as the impact the City has on the driver of climate change.	**Moderate 9**
8	Community, Lifestyle and Security	Failure to plan for, provide and support socially connected, healthy and safe neighbourhoods.	**Moderate 6**
9	Infrastructure and assets	Failure to strategically plan, deliver and maintain infrastructure and assets to support the City's community aspirations and predicted growth.	**Moderate 6**
10	Transport	Failure to strategically plan, deliver and maintain an integrated, improved and accessible transport network, to support the City's community	**Moderate 9**

Risk No.	Risk name	Risk description	Level of risk
		aspirations and predicted growth.	
11	Governance	Failure to ensure ethical and accountable governance and decision-making at the City.	**Moderate 6**
12	Community Engagement and Service Delivery	Failure to deliver quality and responsive services, which meet the needs and expectations of the community.	**Moderate 6**
13	Employer of choice	Inability to develop and maintain a competent, capable and culturally aligned workforce.	**Moderate 9**

Attachment 1 to this report is the City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria. This document was revised in the 2024 Riskwest-facilitated risk management workshops. The document is used for risk analysis and evaluation, comprehending the nature of the risk, and determining the level of risk exposure (likelihood and consequence). This document was used for evaluating the strategic risks in the risk register.

The risk level cited in this report to the ARIC is the Residual Risk, which is the risk remaining after management has taken action to alter its severity / and or likelihood by implementing risk control measures.

All the strategic risks in the risk register are rated as 'Moderate'.

Only one of the identified strategic risks is climate-change related:

- Risk 7 *Climate Change* – 'Failure to manage both the impact of climate change, as well as the impact the City has non the driver of climate change.'

By way of comparing the City's strategic risks, climate change and disaster/ catastrophic events are among the top five risks identified by WA local governments, according to the 2025 JLT Public Sector Risk Report, [JLT Risk Solutions Pty Ltd].

Additionally, on 12 October 2025, the French multinational insurance AXA corporation published its Future Risks Report 2025 Edition. This report is the result of a survey conducted from 14 May to 19 June 2025, with input from over 3,000 risk specialists across 57 countries. The risk specialists in the AXA report, ranked climate change as the top risk for the fifth consecutive year, narrowly followed by risks linked to geopolitical instability (placed 2nd) and technological threats (placed 3rd). The AXA report highlights that the threats, both current and emerging to world uncertainty, continue to be driven by climate change and an increasingly polarised world concerned about decline of social and political cohesion and technological risks (comprising artificial intelligence big data and cyber security).

ELT has reviewed the strategic risk register and an update to this committee is provided within **Attachment 2** to this report.

Strategic Plans/Policy Implications

Our Governance
Transparent leadership that listens, communicates openly and plans for a sustainable future.
• Facilitate transparent and accountable governance for today and tomorrow.
Strive for financial sustainability and operational excellence.

Budget/Financial Implications

N/A

Legal Implications

Local Government (Audit) Regulations 1996 r17 CEO to review certain systems and procedures.

Community Consultation

N/A

Risk Management Implications

Risk management oversight and review is a function of the ARIC.

The ARIC is required to review the City's Strategic and Operational Risk as part of the City's risk management practices.

The ARIC's oversight of the Risk Register review report supports continuous improvement of risk management processes.

Failure to adopt this report will result in a High risk to the City in its ability to support an integrated and effective approach to risk management and continually improve its risk management processes.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

City of Cockburn Enterprise Risk Management – Risk and Opportunity Impact, and Assessment and Acceptance Criteria

Measure of (Positive or Negative) Consequence or Impact

Negative Consequence/Impact

		Category: Compliance	Cyber Security	Environment and Heritage	Financial	Fraud	Organisational Performance	Physical or Psychological Impact	Reputation	Likelihood/Probability: Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
										The event may occur only in exceptional circumstances, < Once in 5 years, Probability <5%	The event could occur at some time, At least once in 5 years, Probability 5-25%	The event should occur at some time, At least once in 3 years, Probability 25-75%	The event will probably occur in most circumstances, Once per year, Probability 75-95%	The event is expected to occur in most circumstances, > once per year, Probability >95%
Insignificant Negative Impact	Insignificant 1	No noticeable regulatory or statutory impact.	Scanning or reconnaissance, Negligible effect on organisation.	Low localised event with no broader environmental or heritage impacts.	<$1 million	Single opportunistic dishonest activity or asset misappropriation. Internal or external.	Impact managed through normal business practices.	No residual physical injuries. No expected psychological impact.	Isolated individual's issue-based complaint, No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5
Minor Negative Impact	Minor 2	Some temporary non compliances.	Low-level malicious attack; targeted reconnaissance, phishing, non-sensitive data loss,	Minor localised and short-term negative impact on environmental and/or heritage assets.	$1m ≤ and <$5m	Theft of confidential or personal information, or intellectual property. Repetitive dishonest activity or asset misappropriation. Internal or external	Impact requires additional local management effort or response or redirection of resources to respond.	Minor physical injury. No Lost Time Injury (LTI). Minor psychological impact.	Local community impacts or issue-based concerns.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Medium Negative Impact	Medium 3	Short term non-compliance but with significant regulatory requirements imposed,	Malware, beaconing or other active network intrusion, temporary system / service disruption, Loss of confidentiality, integrity, or availability causes limit	Short term but recoverable environmental degradation, Significant but rectifiable damage to valued heritage asset,	$5m ≤ and < $10m	Falsifying financial or procurement records to obtain an improper or financial benefit. Internal or external.	Delays to critical operations. Administration of project or activity subject to significant review or change, One or more business objectives only partially achieved. Impact requires short term significant management and organisational resources to respond.	Reportable physical injury requiring professional treatment. Psychological impact requiring professional treatment.	Customer or community impacts and concerns publicly expressed. Reduced confidence by customers, community, and other stakeholders, Short term adverse social media.	Low 3	Moderate 6	Moderate 9	High 12	High 15
Major Negative Impact	Major 4	Significant breach of legal obligations results in termination of activities, imposed penalties or civil actions,	Exfiltration or deletion / damage of key sensitive data or intellectual property, Loss of confidentiality, integrity, or availability causes some adverse effect on organisation,	Severe damage, loss or impairment (> 1 year to remediate or recover) of a significant ecosystem/threatened species (flora and/or fauna) Large scale damage or partial loss requiring long term remediation of a valued heritage asset,	$10m ≤ and < $20m	Persistent planned or systematic dishonest activity or asset misappropriation. Internal or external.	Sustained disruption to critical operations Majority of business objectives only partially Impact requires long term significant management and organisational resources to respond.	Serious injury/illness requiring immediate emergency response or prolonged hospitalisation, Serious psychological injury requiring medium/long term professional medical treatment, counselling, or intervention.	Considerable and prolonged customer or community impact and dissatisfaction publicly expressed, Criticism and loss of confidence and trust in organisations processes and capabilities, Organisation's integrity in question, Significant media attention / prolonged social media campaign, Council intervention.	Low 4	Moderate 8	High 12	Extreme 16	Extreme 20
Catastrophic Negative Impact	Catastrophic 5	Significant breach of legal obligations results in termination of activities, imposed penalties or civil actions.	Severe breach of legal obligations results in criminal charges or loss of required operating licenses.	Permanent loss of significant ecosystem or threatened/vulnerable species (flora and/or fauna), Permanent, total and irreplaceable loss of national and internationally valued state heritage.	≥ $20 million	Irretrievable losses of significant assets or resources through dishonesty, deception or corrupt use of powers causing significant damage to the financial position of the organisation.	Total loss of critical operations, Non achievement of all business objectives. Impact cannot be managed within the organisation's existing resources and threatens survival of the organisation.	Death or severe permanent disablements, Permanent/long term psychological damage requiring extensive remedial intervention.	Significant adverse community impact and condemnation, Consistent ongoing community loss of confidence and trust in organisation's capabilities and intentions, High widespread media across multiple sources.	Low 5	Moderate 10	High 15	Extreme 20	Extreme 25

Positive Consequence/Impact

		Category: Compliance		Environment and Heritage	Financial		Organisational Performance	Physical or Psychological Impact	Reputation	Likelihood/Probability: Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
										The event may occur only in exceptional circumstances, < Once in 5 years, Probability <5%	The event could occur at some time, At least once in 5 years, Probability 5-25%	The event should occur at some time, At least once in 3 years, Probability 25-75%	The event will probably occur in most circumstances, Once per year, Probability 75-95%	The event is expected to occur in most circumstances, > once per year, Probability >95%
Significant Positive Impact	Insignificant 1	Beyond Compliance' approach and outcomes considered as national or international 'best practice',		Permanent improvement in a significant ecosystem or threatened/vulnerable species (flora and/or fauna), Permanent and total benefit to a nationally and internationally valued state heritage asset	≥ $20 million		Long term viability certain, All services, programs and activities being delivered effectively and efficiently, All planned outcomes achieved,	Significant and ongoing physical and/or psychological benefits to the entire Local Government,	Significant, widespread, and ongoing positive community response. Strong community confidence and trust in organisation's capabilities and intentions publicly expressed. High widespread positive media across multiple sources.	Low 5	Moderate 10	High 15	Compelling 20	Compelling 25
Major Positive Impact	Minor 2	'Beyond Compliance' approach and outcomes considered as 'best in sector',		Significant beneficial impact on ecosystem/threatened species (flora and/or fauna), Large scale sustained benefit to a valued state heritage asset,	$10m ≤ and < $20m		Long term viability improved, Majority of critical outcomes achieved, or a single critical outcome achieved. Positive benefits sustained as part of Business as Usual.	Widespread ongoing material physical and/or psychological benefits across the Local Government.	Widespread positive customer or community response publicly expressed. Increased levels of confidence and trust in organisations processes and capabilities, Significant positive media attention.	Low 4	Moderate 8	High 12	Compelling 16	Compelling 20
Medium Positive Impact	Medium 3	Noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly,		Medium term environmental enhancements, Significant medium term positive impact on valued heritage asset,	$5m ≤ and < $10m		Short- or medium-term improvements in the effective and efficient delivery of critical services or programs, Successful delivery of one or more critical outcomes with limited need to allocate greater resources,	Material physical and/or psychological benefits to some areas of the Local Government,	Positive customer or community responses publicly expressed, Improving confidence by customers, community and other stakeholders, Short term positive media / social media attention	Low 3	Moderate 6	Moderate 9	High 12	High 15
Minor Positive Impact	Major 4	Noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly,		Minor localised and short-term positive impact on environmental and/or heritage assets.	$1m ≤ and <$5m		Improvements in the effectiveness and efficiency of multiple business practices in the short term,	Physical and/or psychological benefits to areas of the Local Government,	Positive localised community responses. Limited media, if any.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Insignificant Positive Impact	Catastrophic 5	Isolated but noticeable improvements in legal (regulatory, statutory, contractual) impacts.		Low-level localised positive environmental / heritage improvements or benefits.	<$1 million		Normal business practices improved in the short term,	Physical and/or psychological benefits to individuals.	Isolated individual's issue-based compliment, No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5

Level of Negative Risk	Criteria for Managing Residual Risk	Level of Positive Risk	Criteria for Managing Opportunity	Reporting to	Who is Responsible
Low (1 – 5)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Low (1 -5)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Annual reporting to Audit, Risk and Compliance Committee.	Risk owner
Moderate (6 – 11)	Acceptable with adequate controls, (Subject to alignment with risk tolerance and appetite),	Moderate (6 – 11)	Static embrace of opportunity with adequate controls, (Subject to alignment with risk tolerance and appetite),	Annual reporting to Audit, Risk and Compliance Committee,	Risk owner
High (12 – 15)	Requires excellent controls. Refer to CEO/Director for acceptance decision,	High (12 – 15)	Actively pursue with excellent control environment, (Subject to alignment with risk tolerance and appetite), Refer to CEO/Director for acceptance decision,	Monthly reporting to CEO, Quarterly reporting to Audit, Risk and Compliance Committee,	CEO / Director
Extreme (16 – 25)	Unacceptable, Refer to Council / CEO for next steps.	Compelling (16 – 25)	Vigorously pursue with excellent control environment, (Subject to alignment with risk tolerance and appetite), Refer to Council/CEO for next step.	Immediate and ongoing reporting to CEO, Audit risk and Compliance Committee, and Council	Council / CEO

Control Ratings		
Level	Descriptor	Description
R	Robust	Controls are adequate and fully effective, Overall control environment provides strong assurance that the risk is being managed, Control objectives are being met and no material improvements to controls have been identified,
A	Adequate	A few specific control weaknesses noted; however, the overall control environment is adequate and effective and provides reasonable assurance that the risk is being managed, Certain controls may require improvement to ensure that the overall environment will continue to operate effectively,
I	Inadequate	Numerous specific controls weaknesses or gaps were noted, Overall control environment is not adequate or effective and fails to provide reasonable assurance that risks are being managed and control objectives are being met, The control environment needs improvement,

Physical or Psychological Impact Hierarchy of Control		
Effectiveness	Control Methodology	Impact on Unwanted Event (Hazard), and Examples
100% Effective	Elimination	Remove the hazard, or unwanted event, completely or discontinue the process or practice, *For example, if the electric cable from a stage microphone is a trip hazard, use a wireless microphone instead,*
	Substitution	Replace a hazardous or vulnerable system, material, practice or process with one that presents a lower risk, *For example, if an outdoors event is conducted during a summer day, use of market umbrellas could be substituted by providing marquees or shade sails,*
	Isolation	Use lockable barriers to restrict unauthorised access and separate people from hazard, practice, or process, *For example, install guards on machines where there is a risk of a person being trapped in a machine,*
	Engineering	Change the physical characteristics of the practice or process through engineering design, *For example, provide ramps if patrons in wheelchairs will be attending an event,*
	Administrative	Establish appropriate policies, practices, procedures, guidelines and operating instructions to control exposures to unwanted events, *For example, if an event requires the serving of alcohol, ensure that bar employees have been trained in 'Responsible Service of Alcohol',*
≤20% Effective	Personal Protective Equipment	Provide appropriate safety equipment, *For example, traffic controllers need to be provided with long sleeves, long trousers, wide brimmed sunhats and high visibility safety vests,*

Increasing Effectiveness

Document Set ID: 9681759
Version: 11, Version Date: 05/08/2025

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
1.	SG: All	SG 1.1 Financial sustainability Failure to ensure the financial viability and long term sustainability of the City	1. Ineffectiveness in long term financial planning (LTFP) including poor modelling/unrealistic assumptions 2. Insufficient financial capacity/reserves to deal with demographic and market fluctuations 3. Uncertainty over financial obligations associated with developer contracts and grants funding 4. Poor financial governance and management 5. Overreliance on rate income / Insufficient diversification / alternate income streams 6. Failure to forecast and mitigate significant financial shocks 7. Council deviation from Financial Strategy.	Community dissatisfaction Reputational impact Operational performance impact	1. Integrated Planning and Reporting Framework [includes; SCP, CBP, Services Reviews, Project Plans (CAPEX/OPEX), integration with LTFP, WFP, AMPs] 2. Long Term Financial Plan(LTFP) [includes annual review] 3. Financial management reporting 4. Budget Process and Review 5. Rating Strategy 6. Reserve Strategy 7. Financial sustainability policies (including Investment Policy, Liquidity Policy etc) 8. Financial Governance (including statutory reporting/monitoring) 9. Internal / External Audit 10.Financial Training for Elected Members and Administration. 11.Enhance Financial literacy and create a culture where leaders proactively consider the long-term financial implications, asset management, and staffing plan before they propose something new.	R	Reputation Operations Stakeholder Impact	Major 4	Unlikely 2	Moderate 8	ACCEPT	Director Corporate and System Services	1. Internal Audit Plan.	At the May 2025 Audit, Risk and Compliance Committee meeting, the City presented the report Item 11.1.1 (2025/Minute No. 0014 'Audit Plan for Financial Year ending 30 June 2025', summarised as follows: "The attached audit plan for the 2024-25 Financial Year outlines the purpose and scope of the External Audit and explains the audit methodology and approach to be taken in completing the 2025 Financial Year Audit. It provides the Audit, Risk and Compliance Committee (ARC) with the opportunity to review the audit focus areas, the auditor's procedures, and the agreed timelines. The Audit Plan was prepared by KPMG (contracted audit firm) in consultation with the City and approved by the Office of the Auditor General (OAG)." Attachment 1 'Audit Plan for Financial Year ending 30 June 2025' to this report updated Council on the audit plan prepared by the KPMG, the contracted audit firm.
													2. Regularly update the LTPF.	Review of the LTFP is underway to link with the draft 10-year capital works model. It is recommended that all new service proposals or major policy changes should come with a business case that details full life-cycle costs, operating costs, and macro workforce implications. Any new recurring initiative should be cross-checked against the LTFPs targets and should not derail the trajectory of improving operating surplus without an explicit Council decision to assess that impact.
													3. Reserve Strategy (maturity and development).	Strengthen Reserve policies. The City has developed more strategic approaches to property assets, emphasizing alignment with strategic needs and preventing ad-hoc sales. Complete and approve updated Asset Management Plans (AMPs) for all asset areas. Integrate AMP findings into decision making.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
														Monitor and report on Financial Sustainability Metrics (such as Operating Surplus Ratio, Net debt, Cash reserves trends).
2.	SG 1: Local Economy A sustainable and diverse local economy that attracts increased investment and provides local employment	SG 1.2 Economic Development (ED) Failure to engage and partner with business and development stakeholders to promote, advocate and support opportunities to live, work and invest in the City	1. Failure to identify relevant ED priorities 2. Insufficient budget allocated to support ED activities 3. Lack of support from Federal or State Government for economic initiatives 4. Economic development strategies fail attract and support commercial investment 5. Insufficient promotion of the City, its strengths and achievement 6. Commercial vs residential land availability issues 7. Infrastructure planning and development not aligned with economic development objectives	Community dissatisfaction Reputational impact Stakeholder impact Operational performance impact	1. Economic Development Framework 2. Integrated Planning and Reporting Framework 3. Advocacy Priorities 4. Strategic Asset Management Plan/Land Management and Asset Strategies (including SAMP) 5. Relationships with Local Businesses and Associations (including tenants) 6. Local Planning Strategy, Schemes and Policies 7. Small business friendly approvals	R	Operations Reputation	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Sustainable Development and Safety	1. AMPS review 2028.	Asset management plans currently under review.
													2. Strategic Asset Management Plan.	Strategic Asset Management Plan to be updated post completion of the Asset Management Plan.
													3. Review Local Planning Strategy 2029.	Reviewing of the Local Planning Strategy is not an appropriate 'treatment action plan' for this risk. This is part of the City's Local Planning Framework and its review is guided by planning regulation as required, and first and foremost it must align to the State's subregional framework. The City is not able to simply add more commercial land or provide for additional housing simply to provide additional economic growth opportunities. In a local government which is well progressed in its growth, and which also has a number of constraints to development (many of which are valued in environmental and recreational qualities), it should be expected that at some point in time, land which is capable of development has been appropriately zoned for this. A more appropriate treatment action plan would be to address the matter of land-banking and landowner intentions /lack of motivation to develop. There are a number of land

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
														parcels across the City where landowners (including State government) has not realised the development of their properties. A review of the local planning strategy will not achieve this.
3.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.1 Environmental Protection and Management Council plans, decision making processes and/or activities fail to effectively and responsibly support the management, protection and improvement of its natural environment (areas, bushlands, parks and open spaces)	1. Lack of internal capability and capacity (including dedicated resources) 2. Lack of clear strategy, direction and focus 3. Competing priorities 4. Changing complex legislative and policy environment 5. Increasing community expectations and focus	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met Degradation or loss of the natural environment	1. Integrated Planning and Reporting Framework 2. Local Planning Strategy, Schemes and Policies 3. Natural Area Management Strategy 4. Climate Change Strategy 5. Sustainability Policy 6. Environmental Management Policies and Plans (including Biodiversity Plans) 7. Community events and education promotion	R	Reputation Operations Environment	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Sustainable Development and Safety	1. Implement Natural Area Management Strategy.	The Natural Area Management Strategy 2012-2022 was a document where reporting was aligned to the Sustainability report on an annual basis. This report has now ceased as that document was replaced by the adoption of the City's Climate Change Strategy 2020-2030 (the reporting on which now occurs via the City's Annual Report). Notwithstanding this, the City's approach to managing our natural areas is the same. Resources are provided in annual budgets for ongoing operational responsibilities for our bushland reserves, such as vermin and weed control and revegetation programs
													2. Monitor and report on Climate Change Strategy.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.
4.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural	SG 2.2a Sustainable Resource Management - Water Failure to manage both the use of and impact on water supply across	1. Natural limitations e.g. reducing water availability, a drying climate. 2. Changes to Government Water Policy 3. Reduction in ground water allocations 4. Lack of or incomplete information relating to	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met	1. Local Planning Policies (including Urban Water Management) 2. Irrigation Control Systems 3. Waterwise Council Action Plan - (monitors and reports usage and includes water efficiency projects)	R	Reputation Operations Environment	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Sustainable Development and Safety	1. Waterwise Council Action Plan and accreditation as a Gold Waterwise Council.	Maintained Gold Waterwise Council status.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
	areas and resources	the City's activities in a sustainable and responsible way.	water usage across the City 5. Insufficient priority/focus 6. Lack of internal capability and capacity (including dedicated resources)		4. Water Supply Strategy (with DWER - groundwater supply and regulation) 5. Integrated Planning and Reporting Framework (specifically service reviews and service levels connected to enviro impact) 6. Climate Change Strategy 7. Sustainability Policy								2. Monitor and report on Climate Change Strategy.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.
5.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.2b Sustainable Resource Management - Energy Failure to manage the use of energy across the City's activities in a sustainable and responsible way.	1. Lack of or incomplete information relating to energy usage across the City 2. Lack of clear target/strategy for energy efficiency and increase in renewable sources 3. Insufficient education relating to targets, consumption and alternate options 4. Insufficient priority/focus 5. Lack of internal capability and capacity (including dedicated resources)	Community dissatisfaction Reputational impact Sustainability and net zero targets not met	1. Integrated Planning and Reporting Framework (specifically service reviews and service levels connected to energy usage) 2. Climate Change Strategy (includes mitigation actions and targets) 3. Greenhouse Action Fund (for emissions reduction projects) 4. Sustainability Policy 5. Environmentally Sustainable Design (ESD) Requirements.	R	Reputation Operations	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Sustainable Development and Safety	1. Monitor and report on Climate Change Strategy.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.
													2. Complete annual corporate Emission Inventory Report.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.
													3. Maintain a sustainability reporting system.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.
													4. Implement the Sustainability Policy including the ESD Requirements.	
													5. Reserve fund for Climate Mitigation utilised.	
6.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.2c Sustainable Resource Management - Waste Failure to manage waste across the City's activities in a sustainable and responsible way.	1. Impact of changing waste management landscape (W2E) not well understood, both short term and long term. 2. The City's strategic view may not be aligned with other levels of government (e.g. FOGO). 3. Lack of clear waste management strategy and targets 4. Inability to deliver on waste management targets / legislation and finding does not support move towards a circular economy	Community dissatisfaction Reputational impact Sustainability and net zero targets not met Degradation of the natural environment	1. Adoption of the Waste Strategy 2020-2030 (5 Year Review) 2. Development of a master plan for the Henderson Waste Recovery Park to address available cell airspace, post closure costs and program, site opportunities for commercial returns. 3.Henderson Waste Recovery Park Safety Audit 2024 and 2025. 4. Department of Water and Environmental Regulations Licence compliance.	A	Reputation Operations Reputation Environment Compliance	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Chief Executive Officer	1. Master plan Henderson Waste Recovery 2. Waste Management Service Review 2025.	Following the Henderson Waste Recovery Park internal Audit conducted by JBS&G Australia Pty Ltd in November 2024 numerous new controls have been implemented at the Henderson Waste Recovery Park resulting in the level of risk being adjusted from initially at 'Extreme' to now 'Moderate'.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
			5. Reluctance of community to change behaviours re waste management, and lack of waste education 6. City out of step with other local governments - e.g. number of bins, FOGO and verge collections		5. East Rockingham Waste to Energy Facility on track for completion Q2 FY26 with commission commencing Q3 & Q4. 6. East Rockingham Waste to Energy Facility on track for completion Q2 FY26 with commission commencing Q3 & Q4. 7. Construction of a new Leachate Pond at the Henderson Waste Recovery Park in 2025. 8. Conversion of casual employees to Full time employees for the bulk waste verge collection programs. 9. Annual waste collection surveys indicating 95% satisfaction. 10. FOGO to be reviewed annually and maintain watching brief on FOGO decision by the WA Waste Authority. 11. HWRP Operational management plan. 12. HWRP Community Transfer Station relocation to southern area of site. 13. New entry off Dallison Ave to Community Transfer Station for trailer pass holder with Commercial operators entering off Rockingham Rd entry.								
7.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.3 Climate Change Failure to manage both the impact of climate change, as well as the impact the City has on the driver of climate change	1. Lack of understanding and preparedness to respond and adapt to climate change impacts 2. Lack of understanding (and measurement) of how the City's activities and decisions contribute to the drivers of climate change. 3. Lack of funding to respond	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met Degradation of natural environment	1. Climate Change Strategy 2. Climate Change Risk Assessment 3. Emergency Management Committees and Arrangements 4. Integrated Planning and Reporting Framework 5. Coastal Hazard Risk Management and Adaptation Planning (CHRMAP) (Coastal	R	Reputation Operations Environment	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Sustainable Development and Safety	1. Monitor and report on the Climate Change Strategy.	Reporting on the Climate Change Strategy 2020-2030 occurs via the City's Annual report. Data for the 2023/24 report has been provided.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
			4. Insufficient non-financial resources and focus 5. Lack of clear target/strategy for carbon reduction / reductional fossil fuel usage	Decline in community health and wellbeing Low adaptive capacity	erosion - Fringing reef, sand nourishment, foreshore management plans) 6. Public Health Plan (prepare for and adapt to outcomes) 7. Local Planning Strategy 8. Urban Forest Plan 9. Waterwise Council Action Plan 10. Natural Area Management Strategy 11. Sustainability Policy 12. Waste Wise Events Policy									
8.	SG 3: Community, Lifestyle and Security A vibrant, healthy, safe, inclusive and connected community	SG 3 Community, Lifestyle and Security Failure to plan for, provide and support socially connected, healthy and safe neighbourhoods	1. Demographic information not accurate or understood 2. Poor consultation with the community 3. Failure to respond to societal / cultural trends and changing community focus (e.g. through lack of agility); 4. Inadequate engagement with developers and other stakeholders who invest in our areas 5. Failure to recognise, incorporates and celebrate diversity of cultural and heritage values 6. Lack of consideration of community safety in the design of services, programs, events, buildings and infrastructure; 7. Lack of clarity over interface with other 'safety' focussed organisation e.g. Police, NGOs etc 8. Missed opportunity to take a more proactive approach to community safety / perception that the City is overstepping its role	Community dissatisfaction Reputational impact	1. Community Scorecard 2. Integrated Planning and Reporting Framework (environmental scanning process) 3. Community Engagement Policy/Charter (Customer Satisfaction Survey) 4. Community Infrastructure Planning (CIP) (includes needs analysis) 5. Local Planning Strategy, Schemes and Policies 6. Community Safety and Crime Prevention Plan (including Community Safety Service (CoSafe)) 7. Reconciliation Action Plan 8. Disability Access and Inclusion Plan 9. Youth Plans 10. Promotion of Community events and initiatives 11. Public Health Plan 12. Community Development Plan 13. Volunteer Strategy	R	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Sustainable Development and Safety	1. Review of CoSafe completed with transition to in house Co Safe model expected to be completed by Dec 2024.	Completed - Transition from hybrid CoSafe (Team Leaders City employees, Patrol Officer external security contracted staff) to completely in house employed team has now been operating for 12 months. All staff employed in October 2024 are still current employees with CoSafe 12 months later. The operational impact of the transition which included a smaller full-time workforce (16 down to 12) in total has increased the average response time from 14mins to 18mins. Community satisfaction for the service remains the same scoring an average 9/10.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
9.	SG 4: City Growth and Moving Around A growing City that is easy to move around and provides great places to live	SG 4 Infrastructure and Assets Failure to strategically plan, deliver and maintain infrastructure and assets to support the City's community aspirations and predicted growth	1. Aging facilities / legacy issues with existing assets; 2. Lack of forward/lifecycle planning and maintenance 3. Lack of understanding on future needs; 4. Disconnect with Council over future infrastructure and asset needs; 5. Asset management planning not aligned with boarder strategic objectives 6. Planning fails to consider then impact of climate change; 7. Plans are not executed; 8. Reliance on state government strategy and planning to set the direction for major transport routes.	Community dissatisfaction Reputational impact Operational performance impact	1. Integrated Planning and Reporting framework 2. Land Management and Asset Strategies 3. Community Engagement Policy/Charter (Community Scorecard) 4. Local Planning Strategy, Scheme and Policies (inclusive of development contribution plans) 5. Advocacy Priorities 6. Community Infrastructure prioritisation (Community Wide Infrastructure planning process, Youth Infrastructure Strategy, CIP and CSRFP) 7. Transport Planning (Integrated Transport Strategy and District Transport Study, Parking Plan) 8. Master planning process (e.g. Coogee Beach masterplan, trails) 9. Coastal Hazard Risk Mitigation Adaptation Plan 10. Asset Management Plan	**A**	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Infrastructure Services	1. Strategic Asset Management Plan.	Strategic Asset Management Plan to be updated post completion of the Asset Management Plan.
													2. Review of Local Planning Strategy.	The City's Local Planning Strategy was endorsed by the WA Planning Commission on 28 October 2024. It is required to reflect the State sub-regional planning framework. However, it is perhaps not the best 'treatment Action Plan' for this risk given the State government has also considered support for areas of growth beyond their own framework. This can make it challenging to align infrastructure priorities - especially where there are roads where their role in the road hierarchy is intended to change (i.e. from local to 'other regional' roads). It often takes substantial time to confirm intentions with roads under the State's control and the interaction with City infrastructure projects (such as Cockburn Road which is controlled by Main Roads).
													3. Review Integrated Transport Strategy.	A mid term review of the Integrated Transport Strategy (ITS) is a FY26 CBP action item. This review will help ensure that the ITS continues to meet the City's evolving transport needs while supporting a more connected and sustainable future.
10.	SG 4: City Growth and Moving Around A growing City that is easy to move around and provides great places to live	SG 4. Transport Failure to strategically plan, deliver and maintain an integrated, improved and accessible	1. Limitations around what is a State v LG responsibility / issues around lack of role clarity (i.e. Public transport networks). 2. Reliance on state government strategy and planning to set the	Congestion causing frustration for commuters/other workers Reputational impact Operational performance impact	1. Integrated Planning and Reporting framework 2. Advocacy Priorities 3. Community Engagement Policy/Charter (Community Scorecard) 4. Transport Planning (Integrated Transport Strategy and District Transport Study, Parking	**A**	Reputation Operations Stakeholder impact	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Sustainable Development and Safety	1. Community Engagement.	Community engagement policy will be presented to the November GovCo meeting for consideration and adoption at OCM. Updated policy will ensure consultation on transport strategies and projects are compliant. The internal Framework guides assist staff in designing, delivering and monitoring our engagement practices. The internal engagement journey

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
		transport network, to support the City's community aspirations and predicted growth	direction for major transport routes. 3. Change in mode of transport e.g. shared car ownership, auto vehicles, aging population increasing use of personal mobile devices, use of alternative vehicles such as e-scooters/e-bikes (especially amongst younger demographic). 4. Lack of funding for asset management 5. Challenges to secure Federal/State investment for significant upgrades to roads and intersections that influence community perceptions 6. Impact of outer harbour on road network 7. Community lack of understanding of roles and responsibilities for LG/State etc - sphere of influence. 8. Long term nature of transport planning leads to financial planning and forecasting uncertainty.		Plan, Road Network Upgrade Plan, Bicycle network and Footpath Plan, Trails masterplan, Walking and Cycling Plan, Road Safety Plan, Travel smart Action Plan)									map ensure that the organisation understands the process and timelines.
													2. Strategic Asset Management Plan.	Strategic Asset Management Plan to be updated post completion of the Asset Management Plan.
11.	SG 5: Listening and Leading A community focused, sustainable, accountable and progressive	SG 5.1 Governance Failure to ensure ethical and accountable governance and decision-making at the City	1. Lack of training and education to support understanding of governance requirements and roles; 2. Inadequate framework to support alignment of actions with strategic vision; 3. Frequent changes in strategic direction; 4. Ineffective communication between	Reputational impact Operational performance impact Compliance impact	1. Integrated Planning and Reporting Framework (council-led business planning process) 2. Legislative framework 3. Governance Framework 4. Elected Member Code of Conduct 5. Committees of Council and Reference Groups 6. Council Induction and Training (including mandatory)	R	Reputation Operations Stakeholder impact Compliance	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Chief Executive Officer	1. Governance Improvement Plan 2024-2026 (the Governance Improvement Plan details deliverable actions which will add to existing controls once delivered).	At the May 2025 Audit, Risk and Compliance Committee meeting, the City presented the report Item 11.2.1 (2025/Minute No. 0015 'Governance Update - Development of an Integrity Strategy', which includes this update on the Government Improvement Guidance Plan summarised as follows: "At the September 2024 OCM, Council resolved to endorse the RokSteady Governance Review

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
			Council and Administration; 5. Non-compliance with Council policies and legislative requirements; 6. Short term focus in decision making, impacting longer term sustainability focus; 7. Lack of stability within the Administration; 8. Variability in the effectiveness of leadership		7. EM Communications Policy 8. Complaints Procedure									Results and receive the Governance Improvement Guidance Plan, which provides for how the Council and City would implement the improvement actions falling out of the RokSteady Governance Review. Since this date, work has been ongoing on implementing the actions outlined in the Governance Improvement Guidance Plan. An updated Governance Improvement Guidance Plan now utilises the traffic light system. Key updates since August 2024 include: • Deferral of the workshop on the Elected Members Code of Conduct until after the 2025 Local Government Elections; • Changing the date of the review of the Elected Member Hub to 'by 30 June 2025'; • Changing the date of the review of the Elected Members Professional Development Policy to 'by December 2025'; • Inclusion of the proposed Integrity Maturity Self Assessment as a proposed action; • Removal of the annual strategic planning event. Council are involved in the development of the strategic community plan and corporate business plan, as well as the annual budget and yearly service and project plans. This work, along with the adoption of other strategic plans, largely encapsulates the annual strategic planning of Council, and so an additional 'strategic planning event' is not required."
													2. Risk Maturity Improvement Plan 2022-2027.	At the May 2025 Audit, Risk and Compliance Committee meeting, the City presented the report Item 11.2.1 (2025/Minute No. 0015 'Governance Update - Development of an Integrity Strategy', which includes this update on the Risk Management Improvement Plan, summarised as follows: "The City has implemented a Risk Maturity Improvement Plan (the

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
														Improvement Plan), which is informed by the Moore Australia Risk Maturity report (the Moore report) presented to this committee on 25 May 2023. The City has begun addressing recommendations from the Moore report in its Improvement Plan". Attachment 1 'Risk maturity Implementation Plan' to this report updated Council on the work so far completed, initiated and remaining.
													3. Australian Business Excellence Framework (ABEF) 2024-2026.	All elements of year one of the three year implementation plan have been completed, including the restructure of the leadership team. A majority of the elements associated with year two of the review have either commenced and are in progress or are being scoped.
													4. ELT & EM Strategic Planning 2024.	Business planning activities and consultation with the Executive and Elected Member have been undertaken. This has resulted in the delivery of the major review of the Strategic Community Plan 2025 - 2035, a revised Corporate Business Plan and Workforce Plan.
12.	SG 5. Listening and Leading A community focused, sustainable, accountable and progressive	SG 5.2 Community Engagement and Service Delivery Failure to deliver quality and responsive services, which meet the needs and expectations of the community	1. Lack of agreement and understanding of stakeholders and their expectations; 2. Ineffective engagement with the community or key stakeholders; 3. Inadequate internal systems and processes to manage stakeholders (CRM) 4. Misalignment between Council expectations and the administration 5. Differing views/priorities of the community 6. Failure to align and integrate the planning and delivery of City's services and activities to achieve	Community dissatisfaction Reputational impact Operational performance impact	1. Transparent reporting 2. Community Engagement Strategy; Community Scorecard reviews 3. Customer Request Process (no formal CRM) 4. Comment on Cockburn (engagement channel) 5. Media monitoring 6. Stakeholder Engagement and Management	R	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Community and Place	1. Undertake annual review of agreed Service Plan.	Service Planning has been undertaken. Revised Business Planning process will see Service Planning commence earlier (December 2025) to ensure alignment with annual budget planning and workforce planning.
													2. Review Community Engagement Policy/Charter annually.	The Community engagement policy will be presented to the November GovCo meeting for Council consideration. Updated policy also aligns with compliance obligations for on transport strategies and projects.
													3. Ensure Community Scorecard information is reviewed and actioned.	Review of Community Scorecard information and actions taken as required.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
			the City's strategic objectives 7. City/Council lack of understanding of the value of the service to the customer										4. Monitor feedback received through Comment on Cockburn (engagement channel).	Feedback from Comment on Cockburn is actively monitored. Feedback received plays an important role in the informing of the City's Strategic Community Plan and projects.
13.	SG 5. Listening and Leading A community focused, sustainable, accountable and progressive	SG 5.3 Employer of choice Inability to develop and maintain a competent, capable and culturally aligned workforce	1. Workforce skills, experience and capability not aligned with the services/functions/operations of the City 2. Inability to attract and retain staff (e.g. Increasing market remuneration levels / Lack of availability of workforce in the market) 3. Failure to capitalise on the City's strong value proposition that results in perception of an unappealing workplace, poor culture and low engagement; 4. Workforce fatigue as a result of workforce and ongoing change 5. Lack of development and ongoing training opportunities / lack of career-paths; 6. Over-reliance on key personnel; 7. Ageing workforce / intergenerational challenges 8. Insufficient knowledge sharing/succession planning; 9. Inefficient systems and processes	Reputational impact Operational performance impact Inability to capitalise on opportunities (i.e., funding, delivery)	1. Integrated Planning and Reporting Framework 2. Workforce Plan 3. People Experience Management Framework (includes corporate HR governance and engagement mechanisms) 4. Professional Development Process 5. Employee Value Proposition 6. Internal Communications 7. Code of Conduct 8. Enterprise Agreement 9. Leadership development (includes succession planning, career progression framework, leadership capability framework) 10. Reward and recognition framework 11. Organisational vision and values and cultural alignment	R	Reputation Operations	Medium 3	Possible 3	Moderate 9	ACCEPT	Chief Executive Officer	1. Undertake annual performance and development planning with workforce to identify and build on capability shortcomings - undertaking annually from August to October.	Annual performance and planning period occurs between 1 August and 31 October each year for all permanent and fixed term employees and eligible casuals. Performance planning outcomes are used to form the City's training needs analysis and drive the development of the annual training program.
													2. Ensure the development and delivery of programs that foster a sense of belonging and value to attract and retain employees - delivered as part of annual program of works that is developed utilising engagement survey data and market trend analysis.	Strategy on a page is developed each year for People Experience and Organisational Capability and Performance to ensure the development and deployment of programs that foster a positive workplace culture. This includes (but is not limited to) continuous improvement of our compliance frameworks as well as Hearts and Minds (team building), Employee Awards Eco System, Employee Value Proposition (employer of choice branding), delivery of Leadership Capability Framework and other professional development and capability building initiatives. In addition, the data from the City's Engagement Survey, Pulse Survey and Exit Survey is utilised to develop action plans that assist in the building of workplace culture and the sense of belonging.

City of Cockburn Strategic Risk Register

Risk Identification & Analysis						Current Risk Assessment (Residual) Risk Rating								
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes (Progress and Notes to be reported to the Audit, Risk and Compliance Committee, at its 02 December 2025 meeting).
			10. Pressure on resources to meet increasing community and stakeholder expectations of being a growth council and industry leader										3. Undertake the development of career mapping for whole of business to ensure that single points of failure are identified and mitigated and that succession planning principles are embedded as business as usual - succession planning will form component of Leadership Capability Framework (due for deployment January 2025).	Succession planning and career mapping processes are underway and will be complimented by the review and deployment of a revised Leadership Capability Framework that will also see the delivery of an emerging leader program. In addition, the City also continues to actively promote internal secondments and higher duties.
													4. Ensure that strategies are developed for all generations in the workplace (i.e., flexible working, career development, transition to retirement) - review of current framework due by 30 June 30, 2025 (will include development of new documents as required).	As part of the bargaining of the Industrial Agreement 2025, the City has introduced or modified provisions that are more inclusive of a multi generational workforce. This includes the expansion of the application of flexible working arrangements to include all types of care arrangements (not just primary aged children) and inclusion of transition to retirement provisions.

11.3.4 (2025/MINUTE NO 0029) Legal Proceedings Between City of Cockburn and Other Parties

Executive	Chief Executive Officer
Author	Courts and Legal Process Coordinator
Attachments	1. Confidential Attachment **(confidential)**

Committee Recommendation
MOVED Cr C Reeve-Fowkes SECONDED Cr P Corke

That the Committee recommends Council RECEIVES the Register of Legal Proceedings commenced or responded to by the City during the 2024-2025 Financial Year as noted in the Confidential Attachment.

CARRIED 7/0

8:04pm The Service Manager Strategic Finance departed the meeting and did not return.

8:05pm The Chief Financial Officer departed the meeting and did not return.

Background

At the 13 December 2018 Ordinary Council Meeting, Council adopted the Policy "Obtaining Legal and Other Expert Advice and Legal Proceedings Between City of Cockburn and Other Parties" (the Policy). The Policy's aim is to provide guidance for the acquisition of legal and other expert advice, and to enable advice and the ongoing status of legal proceedings to be provided to Elected Members on a regular basis.

In accordance with the Policy, the Legal Proceedings Register is provided annually to the Audit, Risk and Compliance Committee and includes all matters which were commenced or responded to by the City.

Submission

N/A

Report

Clause 1 *Application* of the Policy states:

> 'This Policy applies to legal and other expert advice sought by the City of Cockburn, and legal proceedings commenced or responded to by the City, or any person acting in their capacity as a representative of the City and for whom the City is vicariously liable.'

Clauses 3.7 and 4.3 require the CEO to establish and maintain a procedure for recording proceedings commenced or responded to by the City, while clauses 3.8 and 4.4 require a record of this procedure to be reported to the Audit, Risk and Improvement Committee (ARIC) at least annually, or as often as considered appropriate by the CEO or as requested by the ARIC.

A summary of the legal proceedings commenced or responded to by the City during the 2024-2025 Financial Year is provided as Confidential Attachment 1.

Strategic Plans/Policy Implications

Our Governance
Transparent leadership that listens, communicates openly and plans for a sustainable future.
• Facilitate transparent and accountable governance for today and tomorrow.

Budget/Financial Implications

The table below highlights the legal fees expended during the 2024-2025 Financial Year.

Name of firm	Fees Paid	% of total
CS Legal (rates & debt recovery, & court representation)	$129,386.64	43.9
Mcleods Lawyers	$83,147.22	28.2
Jackson McDonald	$65,001.65	22.1
Mills Oakley	$17,250.00	5.8
Total expense	**$294,785.51**	**100**
Fines, penalties and recoveries income	**$161,386.44**	**54.7**
Net fees (after fines, penalties and recoveries)	**$133,399.07**	**45.3**

The City incurs legal fees for a number of reasons including to obtain expert advice, engage representation on contentious matters, and obtain legal services including legal document preparation.

These fees are an expense, they can also be an investment in a positive outcome for the City or to protect against risks on significant projects. Examples of this include engaging lawyers to achieve a settlement of a sum of money owed to the City or to prepare a transaction agreement for a transaction of strategic importance or financial consequence.

The previous Financial Year's total fees in relation to legal proceedings commenced or responded to by the City were $294,785.51 while the net fees were $133,399.07.

Engaging CS Legal for rates and debt recovery, and associated court representation for FY 2024-2025, cost the City $129,386.64 and led to $131,639.98 in cost recovery. This was a net return of $2,253.34 to the City.

The above includes issues relating to unauthorised developments, building permit decisions, litter, parking, leases and dog infringements.

Legal Implications

Nil

Community Consultation

N/A

Risk Management Implications

There are no risks associated with this recommendation, however failure to present this report to Council annually presents a ‘Low’ level of ‘Compliance’ risk in accordance with the Council adopted Policy.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

12. Motions of Which Previous Notice Has Been Given

Nil

13. Notices Of Motion Given At The Meeting For Consideration At Next Meeting

Nil

14. New Business of an Urgent Nature Introduced by Members or Officers

6:10pm **Item 14.1.1 was considered prior to item 11.1.1 for the convenience of the Auditors present.**

14.1.1 (2025/MINUTE NO 0030) Financial Report and Audit Results for City of Cockburn Year Ending 30 June 2025

Executive Director Corporate and System Services

Author Chief Financial Officer and Service Manager Strategic Finance

Attachments
1. 2025 Annual Financial Report ⇩
2. Report to the Audit, Risk and Improvement Committee **(Confidential)**
3. Draft Audit Opinion for the Year Ended 30 June 2025 **(Confidential)**
4. Final Management Letter **(Confidential)**

Committee Recommendation
MOVED Cr K Allen SECONDED Cr C Reeve-Fowkes
That Council:

(1) ADOPTS the Annual Financial Report for the year ended 30 June 2025, as amended and approved by the Auditor;

(2) RECEIVES the Auditor's Report for the year ended 30 June 2025;

(3) RECEIVES the draft Audit Opinion for the year ended 30 June 2025, as issued by the Office of the Auditor General; and

(4) RECEIVES the Management Letter for the year ended 30 June 2025, as attached to the Agenda.

CARRIED 7/0

6:36pm **Mr Badshah, Mr Sheikh and Mr Ward departed the meeting and did not return.**

Background

Section 5.54 of the *Local Government Act 1995* requires Council to accept the Annual Report for a financial year no later than 31 December after that financial year.

Section 5.53 requires that the Annual Report contains the Financial Report (prepared under Section 6.4) and the Auditor's Report (prepared under Section 7.9) for that financial year.

Regulation 9 (3) of the *Local Government (Audit) Regulations 1996* requires the external auditor to determine whether the accounts are properly kept and whether the Annual Financial Report meets specified standards.

Section 7.12A of the *Local Government Act 1995* requires Local Governments to meet with the auditor at least once in every year and to:

- examine an Audit Report received by the Local Government
- determine if any matters raised by the audit report require action to be taken by the Local Government
- ensure that appropriate action is taken in respect of those matters.
- prepare a report addressing any matters identified as significant by the auditor in the audit report (stating action the local government has or will take with respect to each of those matters) and provide a copy of this report to the Minister.

The Terms of Reference for the Audit, Risk & Improvement Committee (ARIC) requires the Committee to review the City's audited annual financial report and ensure that any matters raised by the audit are appropriately followed up.

Since 2019, KPMG has conducted the City's audits under a contract with the Office of the Auditor General (OAG).

The audit plan for 2025 was presented at the Committee's meeting on 20 May, and the Auditor's Report has been prepared in line with that plan.

Key areas of focus for the audit included evaluating the effectiveness of management internal controls, and reviewing the appropriateness of the City's accounting policies, disclosures, and accounting estimates.

This audit allows the OAG to provide an opinion on the City's 2025 financial statements. The auditor will present the report and discuss any issues identified during the process.

Submission

N/A

Report

The Annual Financial Report (attached) being presented to the Audit Review and Improvement Committee (ARIC) contains a detailed set of financial statements and supporting notes, prepared in accordance with legislation and Australian Accounting Standards. These are discussed and analysed below.

Statement of Comprehensive Income

The City's net result (before other comprehensive income) was $37.12 million, $12.55 million higher than the year before. The operating deficit rose slightly to $0.86 million, showing the City's operations remain mostly balanced. The net result improved due to a $10.55 million boost from capital revenue and asset sales.

Total operating revenue increased by $4.59 million (+2.3%) compared to the prior year reaching $204.19 million.

The main contributors to this result were:

- Rates revenue increased by $8.31 million (up 6.56%) to $135 million. This reflects the annual rates adjustment of between 4% and 5.5%, along with growth in the number of rateable properties across the City
- Fees & charges revenue decreased by $1.36 million (down 3.08%) to $42.79 million. This was mainly due to a $1.7million drop in landfill fees. While the final figure exceeded the original budget, the outcome was influenced by siteworks undertaken during the year and fluctuations in commercial usage
- Grants, subsidies and contributions revenue declined by $1.52 million (down 10.1%), largely due to a $1.45 million reduction in Financial Assistance Grants received
- Service charges decreased by $0.825 million to $0.275 million, reflecting the second year of the underground power program. In the first year, 30% of property owners opted to pay the full amount upfront, whereas in the second year, most payments were made under the 10-year instalment plan, resulting in a reduction of approximately 75%.

Operating expenditure for the year of $205.06 million was up $4.81 million (+2.4%) on the previous year.

The main contributors were:

- Employee costs, the City's largest operational expense, increased by $4.08 million (+5.3%) to $81.53 million. This reflected annual salary adjustments under the enterprise agreement, staffing levels, and the mandatory rise in superannuation contributions.
- Materials and contract costs decreased by $1.34 million (-2.7%) to $47.66 million, demonstrating improved budget management and procurement efficiency across key service areas.
- Combined Depreciation & Amortisation expenses (non-cash) of $51.10 million grew by a net $1.92 million (+3.9%) on the previous year:
  - Depreciation on fixed assets of $44.29 million was higher by $2.24 million (+5.33%) on last year, continuing to be driven by asset revaluations completed at 30 June 2023 and additions of completed assets
  - Amortisation of landfill related assets decreased $0.32 million (to $6.81 million), reflecting remeasurement in cell capping requirements.

Non-operating grants, subsidies, and contributions of $35.88 million were up $10.55 million (41.6%) from last year, comprising:

- Funding from capital grants & subsidies was higher by $4.15 million (total $6.12 million received).
- Developer contributions received were lower by $2.17 million ($3.94 million in total).
- Gifted development assets of $25.76 million were $6.57 million higher on last year.

Other notable variances included a $1.98 million increase in profit on disposals, bringing the total to $2.11 million.

This was primarily due to the transfer of six lots at the former Wattleup townsite to DevelopmentWA, which recognised the future profit. Additionally, the absence of a disposal loss in FY25, compared to a $1.74 million loss in FY24 from the write-off of legacy assets, contributed to a stronger non-operating result for the year.

Statement of Financial Position

The City's net assets and total equity increased year on year by $37.12 million to $1,863.58 million (+2.03%).

This reflects total assets of $1,964.98 million (+$48.07 million) and total liabilities of $101.40 million (+$10.96 million).

Current assets decreased year on year by $12.57 million to $178.74 million, primarily due to an increase in term deposit placements for periods greater than one year (non-current assets).

Non-current assets increased by $60.65 million to $1,786.23 million, primarily due to a $22.95 million rise in non-current term deposits, bringing the total to $100.90 million. The remainder of the increase mostly reflects asset additions totalling $33.25 million, comprising $19.03 million in infrastructure and $14.22 million in property, plant and equipment, following the completion and capitalisation of several significant projects during the year.

Current liabilities increased by $3.21 million (+9.34%) to $37.62 million, primarily due to higher trade and other payables, which rose by $3.39 million (+18.51%), reflecting an increase in sundry creditors. Current borrowings remained unchanged at $2.50 million, relating to the Cockburn ARC facility loan.

Non-current liabilities increased by $7.74 million from last year to $63.78 million:

- Contract liabilities increased by $3.22 million to $15.61 million, representing an increase in unspent development contributions.
- Other provisions increased to $42.21 million from $36.11 million, reflecting a reassessment of the City's future obligations for the restoration of the waste landfill site. The increase resulted from the remeasurement of estimated closure and rehabilitation costs.
- There are no non-current borrowings as at 30 June 2025, with the remaining balance of the Cockburn ARC facility loan now classified as current. The final repayment is scheduled for FY26, and no new borrowings were undertaken during the year.

Changes in Equity

The City's retained surplus increased by $20.33 million over the year to $648 million.

This comprised the net result of $37.12 million less net transfers to financial reserves of $16.68 million.

Financial reserves increased year on year from $215.50 million to $232.18 million, with a total $76.58 million transferred into reserves, less drawdowns of $59.90 million to fund budgeted capital and operating items.

The Asset Revaluation Surplus has remained at $983.39 million as no asset revaluations were conducted this year.

Total equity for the City is $1,863.58 million (+$37.12 million).

Statement of Cash Flows

The City's net cash inflows from operating activities totalled $61.82 million, an increase of $15.76 million compared to the previous year. This result reflects a $0.52 million decrease in receipts offset by a $16.27 million reduction in payments, resulting in a stronger overall cash position.

Net cash outflows from investing activities totalled $54.84 million, an increase of $10.86 million compared to the previous year ($43.98 million).
The key movements were as follows:

- Payments for financial assets at amortised cost decreased by $4.48 million to $8.95 million
- Payments for property, plant and equipment increased by $8.98 million to $27.58 million, largely due to the completion of several major capital projects during the year, such as the Malabar BMX Facility
- Payments for construction of infrastructure increased by $17.77 million to $33.49 million
- Proceeds from capital grants, subsidies and contributions increased by $7.00 million to $10.12 million
- Proceeds from the sale of property, plant and equipment increased by $4.40 million to $5.05 million.

Net cash outflows from financing activities of $2.96 million included the repayment of $2.50 million on the Cockburn ARC loan.

Cash and cash equivalents reduced by $4.01 million to $17 million during the reporting year. This represents funds held in bank and cash management accounts at 30 June 2025.

Statement of Financial Activity

This statement provides the most insightful and complete view of the City's financial performance for 2025 and it reports the closing municipal budget surplus (or deficit). The Statement of Financial Activity provides a detailed view of the City's financial performance and cash movements for the year ended 30 June 2025. It reports the closing municipal surplus (or deficit) and outlines the sources and application of funds across operating, investing, and financing activities.

The City recorded a closing surplus of $10.36 million as at 30 June 2025, compared with $19.69 million in the previous year.

This surplus includes $1.4 million in municipal funding required for carried-forward projects and the $1 million opening surplus included in the FY26 annual budget. The excess $7.96 million is proposed to be transferred to various financial reserves in accordance with Council's Corporate Strategic Planning & Budget Policy. This matter will be brought forward at the next Council meeting as a budget amendment item.

A unique aspect of the statement of financial activity is the reporting of expenditure on capital works and projects. This totalled $88.43 million, an increase on last year's $53.51 million. These include spending on infrastructure, property, plant, and equipment, together with the fair value recognised for gifted development assets

Auditor's Report to the Committee & Management Letter

The Local Government Act 1995 requires the City to meet with the auditor at least once in every year and representatives from the OAG and KPMG will attend the meeting.

The auditor's report to the Audit, Risk & Improvement Committee, prepared by KPMG, is a confidential attachment at the request of KPMG.

This communicates matters of interest required by Australian Accounting Standards and any other matters considered to be of interest, arising during the completion of the audit. These will be presented and discussed at the meeting by the auditors.

Also attached is the audit management letter, noting that it is confidential at the request of the OAG.

The audit management letter shows findings identified during the final audit and contains one minor finding. Minor findings are defined as those that are not of primary concern but still warrant action being taken.

Management has agreed with and will be actioning the audit recommendation for the minor finding.

Draft Audit Opinion (OAG)

The OAG has issued a draft Independent Auditor's Report, providing a clear (unqualified) audit opinion on the City's 2025 financial report – marking the fifth consecutive year this has been achieved.

A clear audit opinion reflects that sufficient audit evidence has been obtained to offer reasonable assurance that the financial report is free from material misstatement, whether due to fraud or error. It also indicates that the City's financial controls are considered satisfactory.

The audit opinion confirms that the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2025 and its financial position at that date
- complies with the Local Government Act 1995 (the Act) and, with Australian Accounting Standards.

The independent Auditor's Report will be formally signed and issued by the OAG following this meeting and on receipt of the CEO's signed statement for the financial report.

The draft Independent Auditor's Report is included in the agenda as a confidential item.

Strategic Plans/Policy Implications

Listening & Leading
A community focused, sustainable, accountable and progressive organisation.
• Best practice Governance, partnerships and value for money.

Budget/Financial Implications

The cost of the quoted external audit is accommodated within the City's annual budget.

Legal Implications

- *Local Government Act 1995* Sections 5.53, 5.54, 6.4, and Part 7 - *Audit*
- *Local Government (Audit) Regulations 1996* Regulations 9, 9A and 10
- *Local Government (Financial Management) Regulations 1996* Part 4 - Financial Reports

Community Consultation

N/A

Risk Management Implications

It is a requirement under the *Local Government Act 1995* for Council to accept the City's Annual Report (including the Financial Report and Auditor's Report) by no later than 31 December each year. This report meets this requirement.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

City of Cockburn

Annual Report 2024-2025

Financial Report



Cockburn, the best place to be

www.cockburn.wa.gov.au

December 2025

CITY OF COCKBURN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

Statement by CEO	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

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:
9 Coleville Crescent, Spearwood

CITY OF COCKBURN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 2025 and the financial position as at 30 June 2025.

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

Signed on the day of 2025

Chief Executive Officer

Daniel Simms

CITY OF COCKBURN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
Revenue				
Rates	2(a),25	134,997,008	134,416,025	126,686,660
Grants, subsidies and contributions	2(a)	13,622,806	15,340,964	15,145,589
Fees and charges	2(a)	42,788,518	40,088,009	44,147,051
Service charges	2(a)	275,054	220,000	1,099,718
Interest revenue	2(a)	12,511,595	12,835,100	12,523,953
		204,194,981	202,900,098	199,602,971
Expenses				
Employee costs	2(b)	(81,531,983)	(82,696,329)	(77,448,367)
Materials and contracts		(47,656,295)	(56,178,433)	(48,992,784)
Utility charges		(6,552,846)	(6,521,338)	(6,215,523)
Depreciation		(51,104,142)	(46,190,627)	(49,187,641)
Finance costs	2(b)	(1,579,695)	(260,312)	(1,525,396)
Insurance		(2,737,076)	(2,570,579)	(2,722,823)
Other expenditure	2(b)	(13,896,234)	(12,682,412)	(14,151,411)
		(205,058,271)	(207,100,030)	(200,243,945)
		(863,290)	(4,199,932)	(640,974)
Capital grants, subsidies and contributions	2(a)	35,877,284	11,600,128	25,328,715
Profit on asset disposals		2,109,968	(406,184)	124,912
Loss on asset disposals		0	0	(1,744,029)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(7,103)	0	3,363
Distributions from former investments in associate		0	0	1,494,920
		37,980,149	11,193,944	25,207,881
Net result for the period	24(b)	**37,116,859**	**6,994,012**	**24,566,907**
Total comprehensive income for the period		**37,116,859**	**6,994,012**	**24,566,907**

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

CITY OF COCKBURN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	17,004,551	12,990,274
Trade and other receivables	5	14,795,966	17,930,653
Other financial assets	4(a)	143,000,000	157,000,000
Inventories	6	31,283	34,392
Other assets	7	3,911,187	3,359,234
TOTAL CURRENT ASSETS		178,742,987	191,314,553
NON-CURRENT ASSETS			
Trade and other receivables	5	4,734,842	1,422,960
Other financial assets	4(b)	100,898,787	77,951,928
Property, plant and equipment	8	406,441,514	392,217,272
Infrastructure	9	1,271,839,975	1,252,805,531
Right-of-use assets	11(a)	2,319,503	1,190,613
TOTAL NON-CURRENT ASSETS		1,786,234,621	1,725,588,304
TOTAL ASSETS		1,964,977,608	1,916,902,857
CURRENT LIABILITIES			
Trade and other payables	12	21,715,039	18,323,045
Contract liabilities	13	2,583,223	3,512,697
Lease liabilities	11(b)	634,094	179,976
Borrowings	14	2,500,000	2,500,000
Employee related provisions	15	10,184,509	9,886,824
TOTAL CURRENT LIABILITIES		37,616,865	34,402,542
NON-CURRENT LIABILITIES			
Trade and other payables	12	2,456,724	2,192,268
Contract liabilities	13	15,612,103	12,387,362
Lease liabilities	11(b)	1,732,808	1,035,261
Borrowings	14	0	2,500,000
Employee related provisions	15	1,771,051	1,816,599
Other provisions	16	42,211,988	36,109,614
TOTAL NON-CURRENT LIABILITIES		63,784,674	56,041,104
TOTAL LIABILITIES		101,401,539	90,443,646
NET ASSETS		1,863,576,069	1,826,459,211
EQUITY			
Retained surplus		648,003,917	627,671,912
Reserve accounts	28	232,178,797	215,393,944
Revaluation surplus	17	983,393,355	983,393,355
TOTAL EQUITY		1,863,576,069	1,826,459,211

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 2025

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		$	$	$	$
Balance as at 1 July 2023		**608,923,235**	**209,575,714**	**983,393,355**	**1,801,892,304**
Comprehensive income for the period					
Net result for the period		24,566,907	0	0	24,566,907
Total comprehensive income for the period		24,566,907	0	0	24,566,907
Transfers from reserve accounts	28	41,162,701	(41,162,701)	0	0
Transfers to reserve accounts	28	(46,980,931)	46,980,931	0	0
Balance as at 30 June 2024		**627,671,912**	**215,393,944**	**983,393,355**	**1,826,459,211**
Comprehensive income for the period					
Net result for the period		37,116,859	0	0	37,116,859
Total comprehensive income for the period		37,116,859	0	0	37,116,859
Transfers from reserve accounts	28	59,895,890	(59,895,890)	0	0
Transfers to reserve accounts	28	(76,680,744)	76,680,743	0	(1)
Balance as at 30 June 2025		**648,003,917**	**232,178,797**	**983,393,355**	**1,863,576,069**

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 2025

	Note	2025 Actual	2024 Actual
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		132,742,835	126,519,825
Grants, subsidies and contributions		15,918,073	17,250,996
Fees and charges		31,654,591	44,147,051
Service charges		275,054	1,099,718
Interest revenue		12,511,595	12,523,953
Goods and services tax received		11,892,411	2,475,359
Distributions from investment in associates		0	1,494,920
		204,994,559	205,511,822
Payments			
Employee costs		(81,206,691)	(76,656,359)
Materials and contracts		(37,552,368)	(51,029,724)
Utility charges		(6,552,846)	(6,215,523)
Finance costs		4,522,679	(1,525,396)
Insurance paid		(2,737,076)	(2,722,823)
Goods and services tax paid		(4,696,391)	(9,250,239)
Other expenditure		(14,950,825)	(12,047,336)
		(143,173,518)	(159,447,400)
Net cash provided by operating activities	18(b)	61,821,041	46,064,422
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		(8,953,962)	(13,436,528)
Payments for purchase of property, plant & equipment	8(a)	(27,578,310)	(18,600,931)
Payments for construction of infrastructure		(33,486,851)	(15,717,471)
Proceeds from capital grants, subsidies and contributions		10,122,086	3,120,034
Proceeds from sale of property, plant & equipment		5,050,326	650,783
Net cash (used in) investing activities		(54,846,711)	(43,984,113)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(2,500,000)	(2,500,000)
Payments for principal portion of lease liabilities	27(b)	(460,053)	(182,566)
Net cash (used in) financing activities		(2,960,053)	(2,682,566)
Net increase (decrease) in cash held		4,014,277	(602,257)
Cash at beginning of year		12,990,274	13,592,531
Cash and cash equivalents at the end of the year	18(a)	17,004,551	12,990,274

Non-cash investing and financing movements are disclosed at note 18.(c)

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 2025

	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	134,342,684	133,800,000	126,080,608
Rates excluding general rates	25	654,324	616,025	606,052
Grants, subsidies and contributions		13,622,806	15,340,964	15,145,589
Fees and charges		42,788,518	40,088,009	44,147,051
Service charges		275,054	220,000	1,099,718
Interest revenue		12,511,595	12,835,100	12,523,953
Profit on asset disposals		2,109,968	0	124,912
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(7,103)	0	3,363
		206,297,846	202,900,098	199,731,246
Expenditure from operating activities				
Employee costs		(81,531,983)	(82,696,329)	(77,448,367)
Materials and contracts		(47,656,295)	(56,178,433)	(48,992,784)
Utility charges		(6,552,846)	(6,521,338)	(6,215,523)
Depreciation		(51,104,142)	(46,190,627)	(49,187,641)
Finance costs		(1,579,695)	(260,312)	(1,525,396)
Insurance		(2,737,076)	(2,570,579)	(2,722,823)
Other expenditure		(13,896,234)	(12,682,412)	(14,151,411)
Loss on asset disposals		0	(406,184)	(1,744,029)
		(205,058,271)	(207,506,214)	(201,987,974)
Non-cash amounts excluded from operating activities	26(a)	54,970,962	46,596,811	46,691,904
Amount attributable to operating activities		56,210,537	41,990,695	44,435,176
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		35,877,284	11,600,128	25,328,715
Proceeds from disposal of assets		5,050,326	1,071,100	650,783
Distributions from investments in associates		0		1,494,920
		40,927,610	12,671,228	27,474,418
Outflows from investing activities				
Right of use assets received - non cash	11(a)	(1,611,717)	0	0
Acquisition of property, plant and equipment	8(a)	(27,578,310)	(23,576,711)	(18,590,028)
Acquisition of infrastructure	9(a)	(59,242,049)	(30,151,199)	(34,916,939)
		(88,432,076)	(53,727,910)	(53,506,967)
Non-cash amounts excluded from investing activities	26(b)	1,611,717	0	0
Amount attributable to investing activities		(45,892,749)	(41,056,682)	(26,032,549)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	27(b)	1,611,718	0	0
Transfers from reserve accounts	28	59,895,890	45,325,540	41,162,701
		61,507,608	45,325,540	41,162,701
Outflows from financing activities				
Repayment of borrowings	27(a)	(2,500,000)	(2,500,000)	(2,500,000)
Payments for principal portion of lease liabilities	27(b)	(460,053)	0	(182,566)
Transfers to reserve accounts	28	(76,578,143)	(44,459,553)	(46,980,931)
		(79,538,196)	(46,959,553)	(49,663,497)
Non-cash amounts excluded from financing activities	26(c)	(1,611,718)	0	0
Amount attributable to financing activities		(19,642,306)	(1,634,013)	(8,500,796)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(d)	19,688,761	1,000,000	9,786,927
Amount attributable to operating activities		56,210,537	41,990,695	44,435,176
Amount attributable to investing activities		(45,892,749)	(41,056,682)	(26,032,549)
Amount attributable to financing activities		(19,642,306)	(1,634,013)	(8,500,796)
Surplus or deficit after imposition of general rates	26(d)	**10,364,243**	**300,000**	**19,688,761**

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

CITY OF COCKBURN
FOR THE YEAR ENDED 30 JUNE 2025
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	14
Note 8	Property, plant and equipment	15
Note 9	Infrastructure	17
Note 10	Fixed assets	19
Note 11	Leases	21
Note 12	Trade and other payables	22
Note 13	Other liabilities	23
Note 14	Borrowings	24
Note 15	Employee related provisions	25
Note 16	Other provisions	26
Note 17	Revaluation surplus	27
Note 18	Notes to the Statement of Cash Flows	28
Note 19	Contingent Liabilities	29
Note 20	Capital Commitments	29
Note 21	Related party transactions	30
Note 22	Financial risk management	31
Note 23	Other material accounting policies	35
Note 24	Function and activity	36
Information required by legislation		
Note 25	Rating information	38
Note 26	Determination of surplus or deficit	39
Note 27	Borrowing and lease liabilities	40
Note 28	Reserve accounts	42

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the City of Cockburn which is a Class 1 local government 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.

The *Local Government (Financial Management) Regulations 1996* provide that:
- land and buildings classified as property, plant and equipment;or
- infrastructure; or
- vested improvements that the local government controls ;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment* , which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements
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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - Note 8
  - Infrastructure - Note 9
- Measurement of employee benefits - Note 15
- Measurement of provisions - Note 16

Fair value heirarchy information can be found in Note 23

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 28 of the financial report.

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 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *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 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

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 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

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 2025

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 and issue 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

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.

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 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	134,997,008	0	134,997,008
Grants, subsidies and contributions	0	0	0	13,622,806	13,622,806
Fees and charges	0	0	3,999,624	38,788,894	42,788,518
Service charges	0	0	275,054	0	275,054
Interest revenue	0	0	142,775	12,368,820	12,511,595
Capital grants, subsidies and contributions	0	10,057,654	0	25,819,630	35,877,284
Total	0	10,057,654	139,414,461	90,600,150	240,072,265

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	126,686,660	0	126,686,660
Grants, subsidies and contributions	2,382,477	0	0	12,763,112	15,145,589
Fees and charges	0	0	4,579,624	39,567,427	44,147,051
Service charges	0	0	1,099,718	0	1,099,718
Interest revenue	0	0	86,811	12,437,142	12,523,953
Capital grants, subsidies and contributions	0	8,088,113	0	17,240,602	25,328,715
Total	2,382,477	8,088,113	132,452,813	82,008,283	224,931,686

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2025 Actual	2024 Actual
		$	$
Assets and services acquired below fair value			
Contributed assets		25,755,198	19,188,565
		25,755,198	19,188,565
Interest revenue			
Interest on reserve account		1,048,356	1,034,686
Other interest revenue		11,463,239	11,489,267
		12,511,595	12,523,953
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report - Office of the Auditor General (OAG)		100,500	87,590
		100,500	87,590
Employee Costs			
Employee benefit costs		80,245,927	76,177,310
Other employee costs		1,286,056	1,271,057
		81,531,983	77,448,367
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		168,743	229,846
Provisions: unwinding of discount		1,336,056	1,270,210
Lease liabilities		74,896	25,340
		1,579,695	1,525,396
Other expenditure			
Sundry expenses		1,029,260	1,416,334
Elected member remuneration		553,602	486,179
Donations		1,530,717	1,257,809
Landfill levy		9,486,346	9,711,733
Fuel issues		1,296,309	1,279,356
		13,896,234	14,151,411

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

	Note	2025	2024
		$	$
Cash at bank and on hand		7,004,551	7,990,274
Term deposits		10,000,000	5,000,000
Total cash and cash equivalents	18(a)	17,004,551	12,990,274
Held as			
- Unrestricted cash and cash equivalents		6,801,976	6,244,455
- Restricted cash and cash equivalents	18(a)	10,202,575	6,745,819
		17,004,551	12,990,274

MATERIAL 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.

4. OTHER FINANCIAL ASSETS

	Note	2025	2024
		$	$
(a) Current assets			
Financial assets at amortised cost		143,000,000	157,000,000
		143,000,000	157,000,000
Other financial assets at amortised cost			
Term deposits		143,000,000	157,000,000
		143,000,000	157,000,000
Held as			
- Unrestricted other financial assets at amortised cost		15,824,592	12,798,814
- Restricted other financial assets at amortised cost	18(a)	127,175,408	144,201,186
		143,000,000	157,000,000
(b) Non-current assets			
Financial assets at amortised cost	18(a)	100,739,548	77,785,586
Financial assets at fair value through profit or loss		159,239	166,342
		100,898,787	77,951,928
Financial assets at amortised cost			
Term deposits		100,739,548	77,785,586
		100,739,548	77,785,586
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		166,342	162,979
Movement attributable to fair value increment		(7,103)	3,363
Units in Local Government House Trust - closing balance		159,239	166,342

MATERIAL 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 hierachy (see Note 23 (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 classifies 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 2025

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		$	$
Current			
Rates and statutory receivables		2,029,658	2,136,208
Trade receivables		11,134,420	12,875,240
GST receivable		1,631,888	2,919,205
		14,795,966	17,930,653
Non-current			
Rates and statutory receivables		1,184,843	1,155,297
Trade receivables		3,549,999	267,663
		4,734,842	1,422,960

MATERIAL 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 or for the construction of recognisable non financial assets as part of the ordinary course of business.

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.

6. INVENTORIES

	Note	2025	2024
		$	$
Current			
Fuel and Materials		31,283	34,392
		31,283	34,392
The following movements in inventories occurred during the year:			
Balance at beginning of year		34,392	27,313
Additions to inventory		1,054,591	7,079
Inventories expensed during the year		(1,057,700)	0
Balance at end of year		31,283	34,392

MATERIAL 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 2025

7. OTHER ASSETS

	2025	2024
	$	$
Other assets - current		
Prepayments	926,804	1,108,354
Accrued income	2,984,383	2,250,880
	3,911,187	3,359,234

MATERIAL 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 2025

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.

		Assets not subject to operating lease		Total property			Plant and equipment			
	Note	Land	Buildings	Land	Buildings	Total property	Furniture and equipment	Plant and equipment	Computer equipment	Total property, plant and equipment
		$	$	$	$	$	$	$	$	$
Balance at 1 July 2023		88,735,180	284,193,135	88,735,180	284,193,135	372,928,315	379,356	10,365,263	1,890,185	385,563,119
Additions		0	11,277,545	0	11,277,545	11,277,545	457,700	4,313,330	2,552,356	18,600,931
Disposals		0	(1,744,029)	0	(1,744,029)	(1,744,029)	0	(525,871)	0	(2,269,900)
Depreciation	10(a)	0	(5,597,507)	0	(5,597,507)	(5,597,507)	(104,570)	(2,908,757)	(1,076,947)	(9,687,781)
Transfers		0	17,174	0	17,174	17,174	(6,271)	0	0	10,903
Balance at 30 June 2024		88,735,180	288,146,318	88,735,180	288,146,318	376,881,498	726,215	11,243,965	3,365,594	392,217,272
Comprises:										
Gross balance amount at 30 June 2024		88,735,180	407,972,342	88,735,180	407,972,342	496,707,522	2,821,481	27,531,358	13,843,700	540,904,061
Accumulated depreciation at 30 June 2024		0	(119,826,024)	0	(119,826,024)	(119,826,024)	(2,095,266)	(16,287,393)	(10,478,106)	(148,686,789)
Balance at 30 June 2024	8(b)	88,735,180	288,146,318	88,735,180	288,146,318	376,881,498	726,215	11,243,965	3,365,594	392,217,272
Additions		0	19,787,075	0	19,787,075	19,787,075	569,145	6,776,164	445,926	27,578,310
Disposals		(2,629,125)	0	(2,629,125)	0	(2,629,125)	0	(311,233)	0	(2,940,358)
Depreciation	10(a)	0	(5,837,217)	0	(5,837,217)	(5,837,217)	(170,825)	(3,313,853)	(1,157,157)	(10,479,052)
Transfers		0	65,342	0	65,342	65,342	0	0	0	65,342
Balance at 30 June 2025		86,106,055	302,161,518	86,106,055	302,161,518	388,267,573	1,124,535	14,395,043	2,654,363	406,441,514
Comprises:										
Gross balance amount at 30 June 2025		86,106,055	427,824,759	86,106,055	427,824,759	513,930,814	3,390,627	31,951,638	14,289,626	563,562,705
Accumulated depreciation at 30 June 2025		0	(125,663,241)	0	(125,663,241)	(125,663,241)	(2,266,092)	(17,556,595)	(11,635,263)	(157,121,191)
Balance at 30 June 2025	8(b)	86,106,055	302,161,518	86,106,055	302,161,518	388,267,573	1,124,535	14,395,043	2,654,363	406,441,514

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025	Carrying amount 2024	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
		$	$					
(i) Fair value - as determined at the last valuation date								
Land and buildings								
				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
Land - market value								
		86,106,055	88,735,180					
Total land	8(a)	86,106,055	88,735,180					
				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								
		302,161,518	288,146,318					
Total buildings	8(a)	302,161,518	288,146,318					

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

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 - footpath	Infrastructure - parks equipment	Infrastructure - landfill site	Infrastructure - marina	Infrastructure - coastal	Rehabilitation asset	Total infrastructure
	$	$	$	$	$	$	$	$	$
Balance at 1 July 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
Additions	16,133,961	7,873,547	3,832,485	5,897,262	2,394,162	1,013,158	281,164	0	37,425,739
Depreciation	(16,881,848)	(3,565,768)	(3,792,794)	(6,830,010)	(1,465,336)	(470,208)	(619,505)	(5,670,053)	(39,295,522)
Transfers	0	0	0	6,271	(17,174)	1,319,995	(1,319,995)	0	(10,903)
Remeasurement	0	0	0	0	0	0	0	(2,519,703)	(2,519,703)
Balance at 30 June 2024	648,319,873	295,424,814	125,488,162	93,196,315	19,003,057	12,423,363	46,708,996	12,240,951	1,252,805,531
Comprises:									
Gross balance at 30 June 2024	1,027,650,033	365,353,195	181,920,188	139,321,049	55,547,972	15,276,912	55,576,847	37,956,322	1,878,602,518
Accumulated depreciation at 30 June 2024	(379,330,160)	(69,928,381)	(56,432,026)	(46,124,734)	(36,544,915)	(2,853,549)	(8,867,851)	(25,715,371)	(625,796,987)
Balance at 30 June 2024	648,319,873	295,424,814	125,488,162	93,196,315	19,003,057	12,423,363	46,708,996	12,240,951	1,252,805,531
Additions	14,030,836	16,031,489	3,054,350	12,567,155	7,395,942	56,690	1,339,269	0	54,475,731
Depreciation	(17,482,524)	(3,633,619)	(3,885,597)	(7,157,468)	(1,680,660)	(549,574)	(621,773)	(5,131,048)	(40,142,263)
Transfers	(30,000)	0	0	(35,342)	0	0	0	0	(65,342)
Remeasurement	0	0	0	0	0	0	0	4,766,318	4,766,318
Balance at 30 June 2025	644,838,185	307,822,684	124,656,915	98,570,660	24,718,339	11,930,479	47,426,492	11,876,221	1,271,839,975
Comprises:									
Gross balance at 30 June 2025	1,041,650,869	381,384,684	184,974,539	151,852,862	62,943,914	15,333,602	56,916,116	42,722,640	1,937,779,226
Accumulated depreciation at 30 June 2025	(396,812,684)	(73,562,000)	(60,317,624)	(53,282,202)	(38,225,575)	(3,403,123)	(9,489,624)	(30,846,419)	(665,939,251)
Balance at 30 June 2025	644,838,185	307,822,684	124,656,915	98,570,660	24,718,339	11,930,479	47,426,492	11,876,221	1,271,839,975
* Asset additions included gifted assets received at substantially less than fair value									
As at 30 June 2025	8,846,034	9,314,038	1,626,740	5,968,386	0	0	0	0	25,755,198

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
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 - footpath	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 site	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
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 by the local government 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 2025

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
Buildings - non-specialised	5 to 100 years
Furniture and equipment	4 to 20 years
Plant and equipment	3 to 25 years
Computer equipment	5 years
Infrastructure - roads	10 to 100 years
Infrastructure - drainage	100 years
Infrastructure - footpaths	20 to 50 years
Infrastructure - parks equipment	5 to 100 years
Infrastructure - landfill site	10 to 80 years
Infrastructure - marina	10 to 100 years
Infrastructure - coastal	10 to 100 years
Rehabilitation asset	Based on the remaining life of the landfill
Leased assets	Based on the remaining lease

(b) Fully depreciated assets in use

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

	2025	2024
	$	$
Buildings - non specialised	51,000	480,870
Furniture and equipment	11,335,988	9,499,077
Plant and equipment	6,857,038	6,019,996
	18,244,026	15,999,943

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition
An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure 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 reportable value.

Measurement after recognition
Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2).* Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable value
In accordance with *Local Government (Financial Management) Regulation 17A(2)* , the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation
Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued 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 land vested in the City.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the City to revalue earlier if it chooses to do so.

For land, buildings 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; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment
In accordance with *Local Government (Financial Management)* Regulations 17A(4C), the City is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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 2025

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.	Note	Right-of-use assets - plant and equipment	Total right-of-use assets
		$	$
Balance at 1 July 2023		503,232	503,232
Additions		891,719	891,719
Depreciation		(204,338)	(204,338)
Balance at 30 June 2024		1,190,613	1,190,613
Gross balance amount at 30 June 2024		2,638,405	2,638,405
Accumulated depreciation at 30 June 2024		(1,447,792)	(1,447,792)
Balance at 30 June 2024		1,190,613	1,190,613
Additions		1,619,816	1,619,816
Disposals		(8,099)	(8,099)
Depreciation		(482,827)	(482,827)
Balance at 30 June 2025		2,319,503	2,319,503
Gross balance amount at 30 June 2025		3,008,862	3,008,862
Accumulated depreciation at 30 June 2025		(689,359)	(689,359)
Balance at 30 June 2025		2,319,503	2,319,503

* Right of use asset additions are non-cash additions. Refer to note 18(c).

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the City is the lessee:		2025 Actual	2024 Actual
		$	$
Depreciation on right-of-use assets		(482,827)	(204,338)
Finance charge on lease liabilities	27(b)	(74,896)	(25,340)
Total amount recognised in the statement of comprehensive income		(557,723)	(229,678)
Total cash outflow from leases		(534,949)	(207,906)

(b) Lease liabilities

Current		634,094	179,976
Non-current		1,732,808	1,035,261
	27(b)	2,366,902	1,215,237

MATERIAL 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 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 27(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.

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 2025

12. TRADE AND OTHER PAYABLES

	2025	2024
	$	$
Current		
Sundry creditors	16,393,285	13,057,374
Prepaid rates	2,289,213	2,320,390
ATO liabilities	372,990	299,835
Bonds and deposits held	2,493,449	2,495,324
Other prepaid income	166,102	150,122
	21,715,039	18,323,045
Non-current		
Sundry bonds and deposits	2,456,724	2,192,268
	2,456,724	2,192,268

MATERIAL 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.

Statutory liabilities
Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

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 2025

13. OTHER LIABILITIES

	2025	2024
	$	$
Current		
Contract liabilities	2,583,223	3,512,697
	2,583,223	3,512,697
Non-current		
Contract liabilities from transfers for recognisable non financial assets	15,612,103	12,387,362
	15,612,103	12,387,362
Reconciliation of changes in contract liabilities		
Opening balance	3,512,697	4,231,244
Additions	2,583,223	573,167
Revenue from contracts with customers included as a contract liability at the start of the period	(3,512,697)	(1,291,714)
	2,583,223	3,512,697
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	12,387,362	12,387,362
Additions	15,612,103	11,562,480
Revenue from capital grant/contributions held as a liability at the start of the period	(12,387,362)	(11,562,480)
	15,612,103	12,387,362
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	2,583,223	80,584
1 to 2 years	2,000,000	5,000,000
2 to 3 years	3,000,000	2,000,000
3 to 4 years	500,000	3,000,000
4 to 5 years	1,806,778	500,000
> 5 years	5,522,102	1,806,778
	15,412,103	12,387,362

The comparative information for the year ended 30 June 2024 has been amended to correct a disclosure error relating to the description of Contract Liabilities and Capital Grant Liabilities in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.
The correction does not impact the amounts reported in the Statement of Financial Position, Statement of Comprehensive Income or Statement of Cash Flows. It relates solely to the presentation of note disclosures, in this Note 13.
Comparative balances have therefore been updated to correctly reflect the movement and reconciliation of Contract Liabilities and Capital Grant Liabilities respectively.

MATERIAL 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.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. BORROWINGS

	Note	2025 Current	2025 Non-current	2025 Total	2024 Current	2024 Non-current	2024 Total
Secured		$	$	$	$	$	$
Bank loans		2,500,000	0	2,500,000	2,500,000	2,500,000	5,000,000
Total secured borrowings	27(a)	2,500,000	0	2,500,000	2,500,000	2,500,000	5,000,000

MATERIAL 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 hierachy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(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 2025

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	4,919,482	4,783,341
Long service leave	5,265,027	5,103,483
	10,184,509	9,886,824
Total current employee related provisions	10,184,509	9,886,824
Non-current provisions		
Employee benefit provisions		
Long service leave	1,771,051	1,816,599
	1,771,051	1,816,599
Total non-current employee related provisions	1,771,051	1,816,599
Total employee related provisions	11,955,560	11,703,423

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	2025	2024
Amounts are expected to be settled on the following basis:		**$**	**$**
Less than 12 months after the reporting date		10,184,509	9,886,824
More than 12 months from reporting date		1,771,051	1,816,599
		11,955,560	11,703,423

MATERIAL 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 2025

16. OTHER PROVISIONS

	Provision for rehabilitation of landfill	Total
	$	$
Opening balance at 1 July 2024		
Non-current provisions	36,109,614	36,109,614
	36,109,614	36,109,614
Additional provision	6,933,740	6,933,740
Unused amounts reversed	(2,167,422)	(2,167,422)
Charged to profit or loss		
- unwinding of discount	1,336,056	1,336,056
Balance at 30 June 2025	42,211,988	42,211,988
Comprises		
Non-current	42,211,988	42,211,988
	42,211,988	42,211,988

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.

Provision for remediation costs
Under the licence for the operation of the City of Cockburn waste landfill site, the City has a legal obligation to restore the site

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

MATERIAL ACCOUNTING POLICIES
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 2025

17. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	$	$	$	$	$	$
Revaluation surplus - Land	111,732,899	0	111,732,899	111,732,899	0	111,732,899
Revaluation surplus - Buildings	56,294,831	0	56,294,831	56,294,831	0	56,294,831
Revaluation surplus - Infrastructure - roads	412,381,094	0	412,381,094	412,381,094	0	412,381,094
Revaluation surplus - Infrastructure - drainage	222,980,596	0	222,980,596	222,980,596	0	222,980,596
Revaluation surplus - Infrastructure - footpath	108,468,650	0	108,468,650	108,468,650	0	108,468,650
Revaluation surplus - Infrastructure - parks equipment	46,928,597	0	46,928,597	46,928,597	0	46,928,597
Revaluation surplus - Infrastructure - landfill site	40,533	0	40,533	40,533	0	40,533
Revaluation surplus - Infrastructure - coastal	24,566,155	0	24,566,155	24,566,155	0	24,566,155
	983,393,355	0	983,393,355	983,393,355	0	983,393,355

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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	2025 Actual	2024 Actual
		$	$
Cash and cash equivalents	3	17,004,551	12,990,274
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:			
- Cash and cash equivalents	3	10,202,575	6,745,819
- Financial assets at amortised cost	4	227,914,956	215,407,618
		238,117,531	222,153,437
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	232,178,797	215,496,544
Contract liabilities	13	2,583,223	3,512,697
Bonds & deposits		2,456,724	2,192,268
Financial assets at fair value through profit and loss		159,239	166,342
Restricted non-current investment		739,548	785,586
Total restricted financial assets		238,117,531	222,153,437
(b) Reconciliation of net result to net cash provided by operating activities			
Net result		37,116,859	24,566,907
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		7,103	(3,363)
Depreciation/amortisation		51,104,142	49,187,641
(Profit)/loss on sale of asset		(2,109,968)	1,619,117
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(177,195)	(7,244,300)
(Increase)/decrease in other assets		(551,953)	2,280,468
(Increase)/decrease in inventories		3,109	(7,079)
Increase/(decrease) in trade and other payables		3,656,450	(850,336)
Increase/(decrease) in employee related provisions		252,137	792,008
Increase/(decrease) in other provisions		6,102,374	(1,249,493)
Increase/(decrease) in other liabilities		2,295,267	2,301,567
Capital grants, subsidies and contributions		(35,877,284)	(25,328,715)
Net cash provided by/(used in) operating activities		61,821,041	46,064,422
(c) Borrowing facilities			
Credit standby arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		350,000	350,000
Credit card balance at balance date		(81,624)	(109,493)
Total amount of credit unused		268,376	240,507
Loan facilities			
Loan facilities - current		2,500,000	2,500,000
Loan facilities - non-current		0	2,500,000
Total facilities in use at balance date		2,500,000	5,000,000

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003, the City has listed sites to be possible sources of contamination. Details of those sites are:

- Dubove Park
- Poole Reserve
- Dixon Reserve
- Pistol Club and Rose Shanks Reserve

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2025	2024
	$	$
Contracted for:		
- Capital expenditure projects	4,035,355	4,225,081
- Beale Park Redevelopment	398,397	0
- Waterbuttons Park - New Playground	336,421	0
- Land acquisition - Cockburn Coast Oval	11,093,578	10,801,926
- Henderson Redevelopment	0	1,885,496
- Cockburn ARC Expansion	392,827	12,815,475
- Santich Park - parking and new lighting	0	1,328,298
- Stratton Street upgrade	0	922,410
- Malabar Park BMX facility	0	702,213
- Plant & equipment purchases	5,769,907	5,022,476
	22,026,485	37,703,375
Payable:		
- not later than one year	22,026,485	21,273,831
- later than one year but not later than five years	0	16,429,544
	22,026,485	37,703,375

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
Mayor's annual allowance		97,115	97,115	93,380
Mayor's meeting attendance fees		51,411	51,412	49,435
Mayor's other expenses		0	0	78
Mayor's annual allowance for ICT expenses		3,500	3,750	3,500
Mayor's travel and accommodation expenses		6,175		8,319
		158,201	152,277	154,712
Deputy Mayor's annual allowance		24,279	24,279	23,345
Deputy Mayor's meeting attendance fees		31,422	34,278	32,960
Deputy Mayor's child care expenses		0	0	3,989
Deputy Mayor's annual allowance for ICT expenses		3,500	3,750	3,500
Deputy Mayor's travel and accommodation expenses		307	0	332
		59,508	62,307	64,126
All other council member's meeting attendance fees		274,224	274,224	253,736
All other council member's child care expenses		4,140	0	0
All other council member's expenses		1,204	10,192	607
All other council member's annual allowance for ICT expenses		28,000	30,000	25,945
All other council member's travel and accommodation expenses		4,303	15,000	4,483
		311,871	329,416	284,771
	21(b)	529,580	544,000	503,609

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the City during the year are as follows:				
Short-term employee benefits		2,223,104		2,195,002
Post-employment benefits		252,925		247,393
Employee - other long-term benefits		657,902		771,544
Employee - termination benefits		21,850		0
Council member costs	21(a)	529,580		503,609
		3,685,361		3,717,548

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.

Termination benefits
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given 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 2025

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 Strategic Finance Team 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
	%	$	$	$	$
2025					
Cash and cash equivalents	4.22%	17,004,551	10,000,000	7,004,551	0
Financial assets at amortised cost - term deposits	4.94%	243,739,548	243,739,548	0	0
2024					
Cash and cash equivalents	4.98%	12,990,274	0	12,990,274	0
Financial assets at amortised cost - term deposits	4.76%	234,785,586	234,785,586	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.

	2025	2024
	$	$
Impact of a 1% movement in interest rates on profit or loss and equity*	70,046	129,903

* 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 27(a).

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 Financial Instruments 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 2024 or 1 July 2025 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 2025 and 30 June 2024 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 2025					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	10,895,131	27,300	299	211,690	11,134,420
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	446,017	203,086	338,477	2,673,966	3,661,546
Loss allowance	0	0	0	0	0
30 June 2024					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	11,071,938	691,731	898,357	213,213	12,875,239
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,740,229	209,380	348,967	2,756,838	5,055,414
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 2025

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

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	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
	$	$	$	$	$	$
Opening loss allowance as at 1 July	0	0	0	0	0	0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0	0	0
Receivables written off during the year as uncollectible	0	(6,611)	0	0	0	0
Unused amount reversed	0	6,611	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.

Contract assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 amounts, 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 amount
2025	**$**	**$**	**$**	**$**	**$**
Trade and other payables	21,715,040	2,456,724	0	24,171,764	21,715,039
Borrowings	2,500,000	0	0	2,500,000	2,500,000
Lease liabilities	634,094	1,732,808	0	2,366,902	2,366,902
	24,849,134	4,189,532	0	29,038,666	26,581,941
2024					
Trade and other payables	18,323,045	2,192,268	0	20,515,313	18,323,045
Borrowings	2,500,000	2,500,000	0	5,000,000	5,000,000
Lease liabilities	179,976	1,035,261	0	1,215,237	1,215,237
	21,003,021	5,727,529	0	26,730,550	24,538,282

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. OTHER MATERIAL 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 Fair Value Measurement 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 except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) 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 2025

24. 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
Governance To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.
Community amenities To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
Economic services To help promote the local government and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
Other property and services To monitor and control operating accounts.	Private works operation, plant repair and costs.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2025 Actual	2024 Actual
	$	$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	317,523	649,999
General purpose funding	148,006,052	142,003,278
Law, order, public safety	789,171	1,316,396
Health	344,654	332,192
Education and welfare	930,869	1,200,213
Community amenities	18,191,936	19,109,325
Recreation and culture	14,122,874	12,107,166
Transport	312,488	38,423
Economic services	3,593,703	3,334,427
Other property and services	6,065,768	4,245,129
	192,675,038	184,336,548
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	155,394	347,385
General purpose funding	7,152,863	8,309,826
Law, order, public safety	376,816	431,112
Health	18,591	22,557
Education and welfare	6,703,212	7,015,457
Community amenities	598,926	825,763
Recreation and culture	997,034	690,680
Transport	32,046,278	23,943,053
Economic services	0	8,558
Other property and services	1,450,978	(1,120,087)
	49,500,092	40,474,304
Total income	242,175,130	224,810,852
Expenses		
Governance	(13,418,215)	(17,419,848)
General purpose funding	(600,861)	(678,716)
Law, order, public safety	(9,960,059)	(8,240,882)
Health	(3,257,579)	(3,017,129)
Education and welfare	(16,929,911)	(16,192,068)
Community amenities	(49,460,014)	(47,643,507)
Recreation and culture	(58,390,798)	(55,510,219)
Transport	(43,644,100)	(41,143,698)
Economic services	(3,109,301)	(3,232,673)
Other property and services	(6,287,433)	(7,165,205)
Total expenses	(205,058,271)	(200,243,945)
Net result for the period	37,116,859	24,566,907
(c) Assets		
Governance	34,277,915	31,907,587
General purpose funding	264,117,840	251,233,707
Law, order, public safety	476,819	811,003
Health	1,034,422	997,065
Education and welfare	1,420,607	1,177,962
Community amenities	14,148,751	17,780,493
Recreation and culture	202,338,438	184,473,781
Transport	1,074,784,444	1,064,102,302
Economic services	253,631	243,538
Other property and services	372,124,741	364,175,419
Total assets	1,964,977,608	1,916,902,857

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

25. RATING INFORMATION

(a) General rates

RATE TYPE Rate description	Basis of valuation	Rate in $	Number of properties	2024/25 Actual rateable value*	2024/25 Actual rate revenue	2024/25 Actual interim rates	2024/25 Actual total revenue	2024/25 Budget rate revenue	2024/25 Budget interim rate	2024/25 Budget total revenue	2023/24 Actual total revenue
				$	$	$	$	$	$	$	$
Improved Commercial/Industrial - Gross rental valuation	Gross rental valuation	0.09231	2,849	373,731,276	34,499,134		34,499,134	34,499,134		34,499,134	32,253,359
Improved Commercial - Caravan Park	Gross rental valuation	0.08764	2	2,658,240	232,968		232,968	232,968		232,968	220,820
Improved Residential	Gross rental valuation	0.08103	34,300	818,933,210	66,358,173		66,358,173	66,358,143		66,358,143	62,024,369
Vacant	Gross rental valuation	0.09960	1,606	34,703,596	3,456,478		3,456,478	3,456,478		3,456,478	3,206,993
Rural Vacant Land	Unimproved valuation	0.00403	40	57,920,000	233,418		233,418	233,418		233,418	254,246
Rural General	Unimproved valuation	0.00269	60	60,635,000	163,108		163,108	163,108		163,108	145,545
Part Year Rating - GRV & UV	Split valuation					1,975,394	1,975,394		1,475,503	1,475,503	1,858,266
Total general rates			38,857	1,348,581,322	104,943,279	1,975,394	106,918,673	104,943,249	1,475,503	106,418,752	99,963,598
		Minimum payment $									
Minimum payment											
Improved Commercial/Industrial - Gross rental valuation	Gross rental valuation	910	180	1,453,109	163,800		163,800	163,800		163,800	151,888
Improved Commercial - Caravan Park	Gross rental valuation	910	0	0	0		0	0		0	0
Improved Residential	Gross rental valuation	1,537	14,122	232,328,442	21,705,514		21,705,514	21,705,529		21,705,529	20,779,202
Vacant	Gross rental valuation	815	1,407	8,755,543	1,146,705		1,146,705	1,146,705		1,146,705	1,198,080
Rural Vacant Land	Unimproved valuation	1,098	1	13,000	1,098		1,098	1,098		1,098	1,051
Rural General	Unimproved valuation	1,098	3	7,020	3,294		3,294	3,294		3,294	4,204
Total minimum payments			15,713	242,557,114	23,020,411	0	23,020,411	23,020,426	0	23,020,426	22,134,425
Total general rates and minimum payments			54,570	1,591,138,436	127,963,690	1,975,394	129,939,084	127,963,675	1,475,503	129,439,178	122,098,023
		Rate in $									
Specified area rates											
Port Coogee Special Maintenance	Gross rental valuation				458,163		458,163	440,750		440,750	428,709
Port Coogee Waterways	Gross rental valuation				121,218		121,218	113,263		113,263	112,625
Cockburn Coast Special Maintenance	Gross rental valuation				74,943		74,943	62,012		62,012	64,718
					654,324		654,324	616,025		616,025	606,052
Ex-gratia rates											
Ex-gratia rates	Split valuation				5,085,183	245,214	5,330,397	5,235,183	15,000	5,250,183	4,830,255
Total amount raised from rates (excluding general rates)			0	0	5,739,507	245,214	5,984,721	5,851,208	15,000	5,866,208	5,436,307
Concessions							(926,797)			(889,361)	(847,670)
Total rates							134,997,008			134,416,025	126,686,660

(a) Rates related information

Rates instalment plan charges							0			0	(3)
Rates overdue interest							94,310			100,000	86,811

*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 2025

26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 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 *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals		(2,109,968)	406,184	(124,912)
Less: Movement in liabilities associated with restricted cash		3,224,741	0	(3,020,114)
Less: Fair value adjustments to financial assets at fair value through profit or loss		7,103	0	(3,363)
Add: Loss on disposal of assets		0	0	1,744,029
Add: Depreciation	10(a)	51,104,142	46,190,627	49,187,641
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(29,546)	0	(60,256)
Employee benefit provisions		(45,548)	0	218,372
Other provisions		6,102,374	0	(1,249,493)
Trade and other receivables		(3,282,336)	0	0
Non-cash amounts excluded from operating activities		54,970,962	46,596,811	46,691,904
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Infrastructure received for substantially less than fair value	9(a)	25,755,198	0	19,188,565
Non cash capital grants, subsidies and contributions		(25,755,198)	0	(19,188,565)
Right of use assets received - non cash	11(a)	1,611,717	0	
Non-cash amounts excluded from investing activities		1,611,717	0	0
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to financing activities				
Non cash proceeds from new leases	27(b)	(1,611,718)	0	0
Non-cash amounts excluded from financing activities		(1,611,718)	0	0
(d) 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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(232,178,797)	(184,009,148)	(215,496,544)
Less: Bonds and deposits		(2,456,724)	(4,000,000)	(2,192,268)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	2,500,000	2,275,135	2,500,000
- Current portion of lease liabilities	11(b)	634,094	100,000	179,976
- Financial assets - restricted - non current		100,739,548		77,785,586
Total adjustments to net current assets		(130,761,879)	(185,634,013)	(137,223,250)
Net current assets used in the Statement of financial activity				
Total current assets		178,742,987	218,543,318	191,314,553
Less: Total current liabilities		(37,616,865)	(32,609,305)	(34,402,542)
Less: Total adjustments to net current assets		(130,761,879)	(185,634,013)	(137,223,250)
Surplus or deficit after imposition of general rates		10,364,243	300,000	19,688,761

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
To assist funding the Cockburn ARC recreation facility		7,500,000	-	(2,500,000)	5,000,000		(2,500,000)	2,500,000	5,000,000	-	(2,500,000)	2,500,000
Total		7,500,000	0	(2,500,000)	5,000,000	-	(2,500,000)	2,500,000	5,000,000	0	(2,500,000)	2,500,000
Total borrowings	14	7,500,000	0	(2,500,000)	5,000,000	-	(2,500,000)	2,500,000	5,000,000	0	(2,500,000)	2,500,000

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					$	$	$
To assist funding the Cockburn ARC recreation facility	8	WATC*	2.96%	30/06/2026	(168,743)	(160,000)	(229,846)
Total					(168,743)	(160,000)	(229,846)
Total finance cost payments					(168,743)	(160,000)	(229,846)

* WA Treasury Corporation

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
Multifunctional devices (MFD's)		0	32,219	(24,120)	8,099	(8,099)	0	0	0	0	0	0
Shark Barrier - New Contract		506,083	(55)	(99,677)	406,351	21,284	(104,357)	323,278	100,000	0	0	100,000
Cockburn ARC Gym Lease		0	859,555	(58,769)	800,787	0	(170,941)	629,846	0	0	0	0
Dell 1 Staff Replacement Devices		0	0	0	0	1,555,353	(182,272)	1,373,081	0	0	0	0
Dell 2 Staff Replacement Devices		0	0	0	0	43,180	(2,483)	40,697	0	0	0	0
Total lease liabilities	11(b)	506,083	891,719	(182,566)	1,215,237	1,611,718	(460,053)	2,366,902	100,000	0	0	100,000

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					$	$	$	
Multifunctional devices (MFD's)	E6N016202/E6N0162166	Maia Financial	1.49%	1/10/2024	0	0	(15,620)	60 months
Shark Barrier - New Contract	C100928	Eco Shark Barrier Pty Ltd	3.40%	31/03/2028	(12,941)	(312)	(241)	60 months
Cockburn ARC Gym Lease	C101002	CHG Meridian	3.40%	1/10/2028	(24,579)	0	(9,479)	60 months
Dell 1 Staff Replacement Devices	009-7891885-001	Dell Financial Services	5.00%	1/04/2029	(36,858)	0	0	48 months
Dell 2 Staff Replacement Devices	009-7891885-002	Dell Financial Services	4.90%	1/07/2029	(518)	0	0	48 months
Total finance cost payments					(74,896)	(312)	(25,340)	

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS

		2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by Council												
(a)	Staff Payments & Entitlements	-	-	-	-	-	-	-	-	1,762,036	-	-	1,762,036
(b)	Plant & Vehicle Replacement	-	-	-	-	-	-	-	-	12,489,426	3,297,903	(3,883,917)	11,903,412
(c)	Information Technology	-	-	-	-	-	-	-	-	3,147,908	1,500,000	(117,628)	4,530,280
(d)	Major Building Refurbishment	-	-	-	-	-	-	-	-	20,348,071	1,500,000	-	21,848,071
(e)	Waste & Recycling	-	-	-	-	-	-	-	-	17,965,167	7,013,363	(2,773,033)	22,205,497
(f)	Land Development and Investment Fund	-	-	-	-	-	-	-	-	4,041,642	1,584,000	(3,129,483)	2,496,159
(g)	Roads & Drainage Infrastructure	-	-	-	-	-	-	-	-	16,796,728	3,061,211	(2,555,685)	17,302,254
(h)	Naval Base Shacks	-	-	-	-	-	-	-	-	1,291,186	150,000	-	1,441,186
(i)	Community Infrastructure	-	-	-	-	-	-	-	-	39,902,481	737,758	(3,010,658)	37,629,581
(j)	Insurance	-	-	-	-	-	-	-	-	2,109,607	-	(112,512)	1,997,095
(k)	Greenhouse Action Fund	-	-	-	-	-	-	-	-	1,108,938	200,000	-	1,308,938
(l)	Aged and Disabled Asset Replacement	-	-	-	-	-	-	-	-	476,874	17,250	-	494,124
(m)	Welfare Projects Employee Entitlements	-	-	-	-	-	-	-	-	858,113	17,717	-	875,830
(n)	HWRP Post Closure Management & Contaminated Sites	-	-	-	-	-	-	-	-	4,871,959	3,932,535	(383,953)	8,420,541
(o)	Municipal Elections	-	-	-	-	-	-	-	-	301,420	150,000	(300,000)	151,420
(p)	Port Coogee Special Maintenance - SAR	-	-	-	-	-	-	-	-	2,119,576	511,548	(371,715)	2,259,409
(q)	Port Coogee Waterways - SAR	-	-	-	-	-	-	-	-	307,268	129,217		436,485
(r)	Community Surveillance	-	-	-	-	-	-	-	-	936,514	300,000	(770,087)	466,427
(s)	Waste Collection	-	-	-	-	-	-	-	-	9,920,005	532,368	(233,040)	10,219,333
(t)	Community Infrastructure (DCA 13)	-	-	-	-	-	-	-	-	924,399	940,582	(133,762)	1,731,219
(u)	Naval Base Shack Removal	-	-	-	-	-	-	-	-	881,216	81,862	(1,628)	961,450
(v)	Environmental Offset	-	-	-	-	-	-	-	-	248,759	-	-	248,759
(w)	Bibra Lake Management Plan	-	-	-	-	-	-	-	-	15,267	-	-	15,267
(x)	Restricted Grants & Contributions	-	-	-	-	-	-	-	-	7,448,743	5,827,483	(6,084,693)	7,191,533
(y)	CIHCF Building Maintenance	-	-	-	-	-	-	-	-	12,119,212	1,263,715	(208,580)	13,174,347
(z)	Cockburn ARC Building Maintenance	-	-	-	-	-	-	-	-	8,175,048	1,500,000	(417,236)	9,257,812
(aa)	Carry Forward Projects	-	-	-	-	-	-	-	-	15,701,406	8,759,609	(10,419,568)	14,041,447
(ab)	Port Coogee Marina Assets Replacement	-	-	-	-	-	-	-	-	2,298,541	300,000	(156,708)	2,441,833
(ac)	Port Coogee Waterways - WEMP	-	-	-	-	-	-	-	-	1,042,501	38,857	(66,270)	1,015,088
(ad)	Cockburn Coast SAR	-	-	-	-	-	-	-	-	124,974	70,800	(12,534)	183,240
(ae)	Coogee Beach Foreshore Management	-	-	-	-	-	-	-	-	118,334	1,062,185	-	1,180,519
(af)	Developer Contribution Plans - Various	-	-	-	-	-	-	-	-	14,652,325	2,023,829	(6,020,011)	10,656,143
(ag)	POS Cash in Lieu	-	-	-	-	-	-	-	-	5,172,673	477,139	-	5,649,812
(ah)	Open Space Infrastructure	2,957,823	8,300,000	(5,686,779)	5,571,044	2,854,162	7,300,000	(6,513,520)	3,640,642	-	-	-	-
(ai)	Plant & Equipment	11,903,412	3,488,313	(5,560,174)	9,831,551	10,000,000	3,000,500	(4,249,400)	8,751,100	-	-	-	-
(aj)	Technology	4,996,707	500,000	(394,206)	5,102,501	4,942,908	500,000	(705,000)	4,737,908	-	-	-	-
(ak)	Building Infrastructure	81,909,811	16,443,763	(17,716,245)	80,637,329	74,974,045	12,719,811	(15,802,654)	71,891,202	-	-	-	-
(al)	Commercial Landfill	30,626,038	7,195,122	(5,314,386)	32,506,774	23,980,088	3,897,332	(3,727,250)	24,150,170	-	-	-	-
(am)	Land Management	2,496,160	1,070,800	(104,448)	3,462,512	1,723,601	384,000	-	2,107,601	-	-	-	-
(an)	Roads Infrastructure	17,551,013	17,500,000	(8,339,582)	26,711,431	12,506,559	12,500,000	(13,021,396)	11,985,163	-	-	-	-
(ao)	Naval Base Shacks	1,441,186	200,000	(113,137)	1,528,049	1,441,186	200,000	(150,000)	1,491,186	-	-	-	-
(ap)	Risk	2,148,515	-	(268,344)	1,880,171	2,193,041	-	-	2,193,041	-	-	-	-
(aq)	Climate Change Mitigation	1,308,938	1,280,000	(11,330)	2,577,608	1,308,938	500,000	(257,500)	1,551,438	-	-	-	-
(ar)	Aged and Disabled Asset Replacement	865,226	7,455	-	872,681	792,477	34,406	-	826,883	-	-	-	-
(as)	Welfare Projects Employee Entitlements	504,729	7,614	(512,342)	1	-	-	-	-	-	-	-	-
(at)	Port Coogee Special Maintenance SAR	2,259,408	558,214	(396,359)	2,421,263	2,017,895	440,750	(263,075)	2,195,570	-	-	-	-
(au)	Port Coogee Waterways SAR	436,484	143,192	-	579,676	417,767	113,263	-	531,030	-	-	-	-
(av)	POS Cash in Lieu	5,649,812	438,130	-	6,087,942	9,216,639	-	-	9,216,639	-	-	-	-

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS (continued)

		2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by Council												
(aw)	Waste Management	10,219,333	3,727,679	(2,153,373)	11,793,639	280,004	2,000,000	-	2,280,004	-	-	-	-
(ax)	Naval Base Shack Removal	961,449	87,660	(17,179)	1,031,930	100,000	50,000	-	150,000	-	-	-	-
(ay)	Restricted Funding	7,191,532	3,907,909	(5,889,665)	5,209,776	1,628,092	251,490	(62,601)	1,816,981	-	-	-	-
(az)	Project Contingency	14,041,447	6,448,893	(5,536,102)	14,954,238	8,169,041	-	(549,078)	7,619,963	-	-	-	-
(ba)	Port Coogee Marina	2,441,833	505,989	(40,000)	2,907,822	2,020,071	505,989	-	2,526,060	-	-	-	-
(bb)	Port Coogee Waterways WEMP	1,015,087	40,033	(328,241)	726,879	800,000	-	-	800,000	-	-	-	-
(bc)	Cockburn Coast SAR	183,240	83,891	(95,254)	171,877	163,151	62,012	(24,066)	201,097	-	-	-	-
(bd)	Developer Contribution Plans - Various	12,387,361	4,643,486	(1,418,744)	15,612,103	23,345,470	-	-	23,345,470	-	-	-	-
		215,496,544	76,578,143	(59,895,890)	232,178,797	184,875,135	44,459,553	(45,325,540)	184,009,148	209,678,317	46,980,931	(41,162,701)	215,496,544

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	Purpose of the reserve account
(a)	Staff Payments & Entitlements	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	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	This Reserve is used to provide for the capital cost of upgrading/replacement of Council's computer hardware and software.
(d)	Major Building Refurbishment	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	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	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	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	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	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	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	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	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS (continued)

	Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(m)	Welfare Projects Employee Entitlements	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 Sites	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	This Reserve provides funding to cover election expenses during election years to smooth out annual budgetary impacts.
(p)	Port Coogee Special Maintenance - SAR	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	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	This Reserve funds activities in relation to Community Surveillance.
(s)	Waste Collection	This reserve provides funding for future capital requirements related to the Waste Collection service.
(t)	Community Infrastructure (DCA 13)	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.
(u)	Naval Base Shack Removal	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.
(v)	Environmental Offset	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.
(w)	Bibra Lake Management Plan	This Reserve is used to manage funding to implement the Bibra Lake Management Plan as adopted by Council.
(x)	Restricted Grants & Contributions	This Reserve is used to quarantine monies received for restricted purposes across financial years.
(y)	CIHCF Building Maintenance	This Reserve is used to manage funding for major building maintenance of the Cockburn Integrated Health and Community Facility (CIHCF).
(z)	Cockburn ARC Building Maintenance	This Reserve is used to manage funding for the major building maintenance of the Cockburn ARC recreation facility.
(aa)	Carry Forward Projects	This reserve is used to manage municipal funding for incomplete projects carried forward to the following financial year.
(ab)	Port Coogee Marina Assets Replacement	This Reserve provides for the replacement of marina infrastructure assets. Funding is provided from pen fees to reflect estimated depreciation costs.
(ac)	Port Coogee Waterways - WEMP	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.
(ad)	Cockburn Coast SAR	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.
(ae)	Coogee Beach Foreshore Management	This Reserve is used for management of Coogee Beach Foreshore.
(af)	Developer Contribution Plans - Various	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.
(ag)	POS Cash in Lieu	This Reserve is used to manage Public Open Space payments received from developers.
(ah)	Open Space Infrastructure	Provides funding for new, renewal and upgrade of the City's open space infrastructure and equipment (parks, reserves, coastal, natural areas), as determined through asset management planning and the City's integrated planning approach.
(ai)	Plant & Equipment	Provides funding for the capital management of the City's fleet of plant and vehicles, as well as major capital equipment requirements.
(aj)	Technology	Provides funding for the City's Information, Communication and Technology assets and projects.
(ak)	Building Infrastructure	Provides funding for asset renewal and upgrade requirements of the City's building assets as determined by Asset Management Plans. This Reserve will also provide funding for new community and recreation facilities, driven by the City's integrated planning approach aiming for intergenerational equity.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS (continued)

	Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(al)	Commercial Landfill	Provides funds management for capital and other costs associated with the development, management and rehabilitation of a commercial landfill site.
(am)	Land Management	Enables the financial planning and funding of the City's land management and development strategies, including the purchase, development, leasing and disposal of land.
(an)	Roads Infrastructure	Provides funding for asset renewal and upgrade requirements of the City's roads infrastructure assets (roads, drainage, paths), as determined by the City's asset management planning. Will also provide matching funding for delivery of new roads infrastructure identified though the City's integrated planning approach.
(ao)	Naval Base Shacks	Provides funding for the development & refurbishment of the Naval Base shacks site.
(ap)	Risk	Provides funding to mitigate annual budgetary impacts from unforeseen risks and events, including the City's performance-based insurances
(aq)	Climate Change Mitigation	Provides funding for the City to mitigate the impact of climate change on its services and asset delivery, including renewable energy and carbon offset projects.
(ar)	Aged and Disabled Asset Replacement	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(as)	Welfare Projects Employee Entitlements	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(at)	Port Coogee Special Maintenance SAR	Management of funds raised through the specified area rate (SAR) for the Port Coogee development for the purpose of specialised maintenance requirements within the development.
(au)	Port Coogee Waterways SAR	Management of funds raised through the specified area rate (SAR) for the Port Coogee development on land directly adjacent to the waterways for the purpose of maintaining the waterways surrounding the marina and associated infrastructure.
(av)	POS Cash in Lieu	Quarantines and manages POS cash in lieu contributions received by the City under section 20C of the Town Planning Development Act.
(aw)	Waste Management	Provides funding for future capital requirements relating to the City's waste management services.
(ax)	Naval Base Shack Removal	Provides funding for the removal of the Naval Base shacks.
(ay)	Restricted Funding	This Reserve is used to quarantine and manage funds received for restricted purposes across financial years.
(az)	Project Contingency	Provides contingency funding for the City's project delivery program.
(bb)	Port Coogee Waterways WEMP	Manages funding received from the developer upon handover to maintain the Port Coogee marina waterways in accordance with the Waterways Environmental Management Plan (WEMP).
(bc)	Cockburn Coast SAR	Management of funds raised through the specified area rate (SAR) levied within the Cockburn Coast Development for the purpose of ensuring parks and public areas (including custom street lighting) are maintained at the higher standards adopted at handover from the Developer.
(bd)	Developer Contribution Plans - Various	Provides for the management of contributions and costs with respect to Development Contribution Areas as established by and in accordance with Town Planning Scheme 3.

City of Cockburn
Whadjuk Boodjar
9 Coleville Crescent, Spearwood WA 6163
PO Box 1215, Bibra Lake DC WA 6965
Telephone: 08 9411 3444 | Email: customer@cockburn.wa.gov.au
City of Cockburn website: www.cockburn.wa.gov.au

City of Cockburn Facebook: www.facebook.com/**CityofCockburn**
City of Cockburn Instagram: www.instagram.com/**cityofcockburn**
City of Cockburn YouTube: www.youtube.com/**CityofCockburn**
City of Cockburn LinkedIn: www.linkedin.com/company/**city-of-cockburn**

This information is available in alternative formats upon request.

15. Matters to be Noted for Investigation Without Debate

Nil

16. Confidential Business

Nil

17. Closure of Meeting

There being no further business, the Presiding Member closed the meeting at 8:06pm.