The Council of the City of Cockburn

Audit Risk and Improvement Committee

Addendum Agenda

Tuesday, 24 November 2026

Audit Risk and Improvement Committee Meeting
Tuesday, 24 November 2026 At 6:00pm

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Addendum Agenda

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

11.1.1 Financial Report and Audit Results for City of Cockburn Year Ending 30 June 2026

Responsible Executive	Director Corporate and System Services
Author(s)	Service Manager Strategic Finance
Attachments	1. 2026 Annual Financial Report ⇩ 2. Report to the Audit, Risk and Improvement Committee **(Confidential)** 3. Draft Opinion - City of Cockburn - 30 June 2026 ⇩ 4. Final Management Letter Report **(Confidential)**

RECOMMENDATION
The Committee recommends Council:

(1) ADOPTS the Annual Financial Report for the year ended 30 June 2026, as amended and approved by the Auditor;

(2) RECEIVES the Independent Auditor's Report for the year ended 30 June 2026;

(3) RECEIVES the draft Audit Opinion for the year ended 30 June 2026, as issued by the Office of the Auditor General; and

(4) RECEIVES the Management Letter for the year ended 30 June 2026.

Background

The *Local Government Act 1995* requires local governments to prepare an Annual Report each financial year, incorporating the Annual Financial Report and Auditor's Report. The City's Annual Financial Report is prepared in accordance with the *Local Government Act 1995,* relevant regulations and Australian Accounting Standards.

The *Local Government Act 1995* also requires the City to consider the Auditor's Report, determine whether any matters raised require action and ensure appropriate action is taken. Where the auditor identifies significant matters, the City is required to prepare a report outlining the action taken or proposed in response.

The Audit, Risk & Improvement Committee's Terms of Reference requires the Committee to review the City's audited Annual Financial Report and consider matters arising from the external audit.

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

The 2026 audit plan was presented to the Committee on 26 May 2026. Key areas of audit focus included the City's financial reporting, internal controls, accounting policies, disclosures, and accounting estimates.

The audit enables the OAG to form an opinion on the City's Annual Financial Report for the year ended 30 June 2026. Representatives of the auditors will present the audit results and discuss any matters identified through the audit process.

Submission

N/A

Report

The Annual Financial Report for the year ended 30 June 2026 is provided as an attachment to this report.

The financial statements and supporting notes have been prepared in accordance with legislative requirements and Australian Accounting Standards. Key financial results are summarised below.

Statement of Comprehensive Income

The City recorded a net result of $35.3 million before other comprehensive income, $1.8 million lower than the previous. The operating result improved from a $0.9 million deficit in 2025 to a $7.0 million surplus in 2026, reflecting growth in operating revenue above the increase in operating expenditure.

Total operating revenue increased by $14.7 million, or 7.2%, to $218.88 million.

Key movements included:

- Rates revenue increased by $7.4 million, or 5.5%, to $142.4 million, reflecting annual rates increases and growth in the number of rateable properties
- Fees & charges revenue increased by $0.65 million, or 1.5%, to $43.4 million, primarily reflecting increased membership revenue
- Grants, subsidies and contributions increased by $3.1 million, or 22.7%, largely due to a $4.4 million increase in Financial Assistance Grant revenue
- Service charges increased by $1.6 million to $1.9 million, primarily due to the accounting treatment of the Underground Power Service Charge.

Operating expenditure was $211.9 million, an increase of $6.8 million, or 3.3%, compared with the previous year.

Key movements included:

- Materials and contracts increased by $3.1 million, or 6.6%, to $50.8 million
- Employee costs increased by $4.3 million, or 5.3% to $85.8 million, reflecting salary adjustments, staffing levels, and the mandatory increase in superannuation contributions
- Depreciation & Amortisation remained relatively stable at $51.3 million, increasing by $0.7 million, or 1.3%
- Other expenses decreased by $2.5 million to $11.4 million, primarily due to lower landfill levy expenditure.

Non-operating grants, subsidies, and contributions were $32.4 million, a decrease of $3.5 million, or 9.8%, compared with the previous year. This was primarily due to gifted development assets of $22.5 million, which were $3.3 million lower than the previous year.

Other notable movements included:

- Profit on asset disposals decreased by $1.1 million to $1 million
- a $5.2 million decrement was recognised on the revaluation of landfill infrastructure following the current year external valuation.

Other comprehensive income was $24.2 million, primarily reflecting non-cash asset revaluations. This included increase of approximately $12.7 million for land and buildings and $11.6 million for coastal assets.

Statement of Financial Position

The City's net assets and total equity increased by $59.5 million to $1.923 billion, representing an increase of 3.2% compared with the previous year.

At 30 June 2026:

- total assets were $2.049 billion, am increase of approximately $72.7 million
- total liabilities were $125.7 million, an increase of approximately $13.2 million.

Current assets increased by $28.7 million to $207.5 million, primarily reflecting increased term deposits and cash holdings.

Non-current assets increased by $44 million to $1.841 billion, primarily reflecting movements in property, plant and equipment and infrastructure arising from asset additions, disposals and revaluations during the year.

Current liabilities decreased by $1 million to $47.7 million, including a $2.5 million reduction in current borrowings.

Overall, the Statement of Financial Position reflects the City's strong asset base.

Changes in Equity

The City's retained surplus increased by $12 million to $660 million, comprising a net result of $35.2 million, offset by net transfers of $23.3 million to financial reserves.

Financial reserves increased from $232.2 million to $255.5 million. During the year, $80.3 million was transferred into reserves, while $57.1 million was drawn down to fund budgeted capital and operating expenditure.

Total equity increased by $59.5 million to $1.923 billion.

Statement of Cash Flows

Net cash inflows from operating activities were $74.8 million, an increase of $12.9 million compared with the previous year. This reflected a $28.3 million increase in receipts, partly offset by a $15.4 million increase in payments.

Net cash outflows from investing activities were $66.6 million, compared with $54.9 million in the previous year. Key movements included:

- Payments for financial assets at amortised cost increased by $25.4 million to $34.4 million
- Payments for property, plant and equipment decreased by $2.4 million to $25.2 million, largely reflecting the completion of major capital projects
- Payments for infrastructure construction decreased by $15.1 million to $18.4 million.
- Proceeds from capital grants, subsidies and contributions decreased by $0.2 million to $9.9 million.
- Proceeds from the sale of property, plant and equipment decreased by $3.6 million to $1.4 million.

Net cash outflows from financing activities were $3.3 million, including a $2.5 million repayment of the Cockburn ARC loan.

Cash and cash equivalents increased by $4.9 million to $21.9 million at 30 June 2026.

Statement of Financial Activity

This statement provides an overview of the City's financial performance and the sources and application of funds across operating, investing and financing activities. It also reports the closing municipal surplus or deficit for the year.

The City recorded a closing surplus of $11.3 million at 30 June 2026, compared with $10.4 million in the previous year.

The closing surplus includes:

- $0.9 million in municipal funding required for carried-forward projects
- the $1 million opening surplus included in the FY27 annual budget.

The remaining $9.4 million is proposed to be transferred to financial reserves in accordance with Council's Corporate Strategic Planning and Budget Policy.

Capital expenditure totalled $66.7 million, compared with $88.4 million in the previous year. These includes expenditure on infrastructure, property, plant, and equipment, together with the fair value recognised for gifted development assets.

Prior Period Correction – Land Acquisition

A prior period correction of $11.1 million has been recognised in relation to Lot 505 Cockburn Road, North Coogee.

The City entered into a contract of sale with the Western Australian Land Authority in April 2020, with payment deferred until no later than 30 June 2026. While the purchase had previously been disclosed as a capital commitment, title to the land transferred to the City in October 2020.

The transaction and its accounting treatment had been considered through the external audit process in prior financial years and disclosed as a capital commitment. Following further review as part of the 2025/26 audit process, it was determined that recognition of the land and associated liability was required.

The 2025/26 financial statements have been adjusted to recognise the land and associated liability from 1 July 2024, with comparative balances and relevant financial statement notes restated accordingly.

As the correction recognises an asset and corresponding liability and is non-cash in nature, there is no impact on the City's reported surplus or deficit.

Auditor's Report to the Committee & Management Letter

The Local Government Act 1995 requires the City to meet with the auditor at least once every year. Representatives from the OAG and KPMG will attend the Committee meeting to present the audit results and respond to questions.

KPMG's Report to the Audit, Risk and Improvement Committee is provided as a confidential attachment at KPMG's request.

This report outlines matters arising from the audit that are required to be communicated under applicable Australian Accounting Standards, together with other matters considered relevant to the Committee.

The Final Management Letter is also provided as a confidential attachment at the request of the OAG.

The audit management letter identifies one moderate finding arising from the final audit. Moderate findings are matters that are not of primary concern but warrant management action.

Management has agreed with the audit recommendation and will implement the required action.

Draft Audit Opinion (OAG)

The OAG has issued a draft Independent Auditor's Report providing a clear (unqualified) audit opinion on the City's Annual Financial Report for the year ended 30 June 2026.

An unqualified opinion provides reasonable assurance that the financial report is free from material misstatement, whether due to fraud or error.

The draft audit opinion confirms that the financial report:
- is based on proper accounts and records
- presents fairly, in all material respects, the City's financial performance for the year ended 30 June 2026 and its financial position at that date
- complies with the *Local Government Act 1995* and applicable Australian Accounting Standards.

The independent Auditor's Report will be formally signed and issued by the OAG following the meeting and receipt of the CEO's signed statement for the Annual Financial Report.

The draft Independent Auditor's Report is included as a confidential attachment to the agenda.

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 2025-2026

Finance Report



Cockburn, the best place to be

www.cockburn.wa.gov.au

December 2026

CITY OF COCKBURN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

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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 2026

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 financial year ended 30 June 2026 and the financial position as at 30 June 2026.

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

Signed on the day of November 2026

CEO

Daniel Simms
Name of CEO

CITY OF COCKBURN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
Revenue				
Rates	2(a),25	142,436,407	141,460,000	134,997,008
Grants, subsidies and contributions	2(a)	16,719,473	15,884,335	13,622,806
Fees and charges	2(a)	43,438,327	43,832,904	42,788,518
Service charges	2(a)	1,886,174	200,000	275,054
Interest revenue	2(a)	13,371,805	13,135,800	12,511,595
Other revenue	2(a)	1,030,000	0	0
		218,882,186	214,513,039	204,194,981
Expenses				
Employee costs	2(b)	(85,822,863)	(85,494,535)	(81,531,983)
Materials and contracts		(50,781,563)	(59,467,942)	(47,656,295)
Utility charges		(7,233,030)	(6,768,187)	(6,552,846)
Depreciation		(51,755,027)	(47,678,961)	(51,104,142)
Finance costs	2(b)	(1,771,233)	(170,229)	(1,579,695)
Insurance		(3,155,587)	(2,804,500)	(2,737,076)
Other expenditure	2(b)	(11,381,270)	(14,916,773)	(13,896,234)
		(211,900,573)	(217,301,127)	(205,058,271)
		6,981,613	(2,788,088)	(863,290)
Capital grants, subsidies and contributions	2(a)	32,361,355	24,687,971	35,877,284
Profit on asset disposals		1,026,674	696,173	2,109,968
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	151,117	0	(7,103)
Revaluation decrement - landfill infrastructure	9(a)	(5,245,619)	0	0
		28,293,527	25,384,144	37,980,149
Net result for the period	24(b)	**35,275,140**	**22,596,056**	**37,116,859**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	17	24,246,223	0	0
Total other comprehensive income for the period	17	**24,246,223**	**0**	**0**
Total comprehensive income for the period		**59,521,363**	**22,596,056**	**37,116,859**

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

CITY OF COCKBURN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026	Restated* 2025	Restated* 1 July 2024
		$	$	$
CURRENT ASSETS				
Cash and cash equivalents	3	21,872,397	17,004,551	12,990,274
Other financial assets	4(a)	168,000,000	143,000,000	157,000,000
Trade and other receivables	5	14,098,378	14,795,966	17,930,653
Inventories	6	87,123	31,283	34,392
Other assets	7	3,394,763	3,911,187	3,359,234
TOTAL CURRENT ASSETS		207,452,661	178,742,987	191,314,553
NON-CURRENT ASSETS				
Other financial assets	4(b)	110,412,038	100,898,787	77,951,928
Trade and other receivables	5	6,153,034	4,734,842	1,422,960
Property, plant and equipment*	8	442,209,132	417,551,622	403,327,380
Infrastructure	9	1,280,369,578	1,271,839,975	1,252,805,531
Right-of-use assets	11(a)	2,184,659	2,319,503	1,190,613
TOTAL NON-CURRENT ASSETS		1,841,328,441	1,797,344,729	1,736,698,412
TOTAL ASSETS		2,048,781,102	1,976,087,716	1,928,012,965
CURRENT LIABILITIES				
Trade and other payables*	12	33,607,620	32,825,147	18,323,045
Contract liabilities	13	2,216,758	2,583,223	3,512,697
Lease liabilities	11(b)	834,231	634,094	179,976
Borrowings	14	0	2,500,000	2,500,000
Employee related provisions	15	11,041,712	10,184,509	9,886,824
TOTAL CURRENT LIABILITIES		47,700,321	48,726,973	34,402,542
NON-CURRENT LIABILITIES				
Trade and other payables*	12	3,946,162	2,456,724	13,302,376
Contract liabilities	13	26,754,989	15,612,103	12,387,362
Lease liabilities	11(b)	1,403,558	1,732,808	1,035,261
Borrowings	14	0	0	2,500,000
Employee related provisions	15	2,562,481	1,771,051	1,816,599
Other provisions	16	43,316,160	42,211,988	36,109,614
TOTAL NON-CURRENT LIABILITIES		77,983,350	63,784,674	67,151,212
TOTAL LIABILITIES		125,683,671	112,511,647	101,553,754
NET ASSETS		1,923,097,431	1,863,576,069	1,826,459,211
EQUITY				
Retained surplus		659,997,852	648,003,917	627,671,912
Reserve accounts	28	255,460,001	232,178,797	215,393,944
Revaluation surplus	17	1,007,639,578	983,393,355	983,393,355
TOTAL EQUITY		1,923,097,431	1,863,576,069	1,826,459,211

This statement is to be read in conjunction with the accompanying notes.
* The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		$	$	$	$
Balance as at 1 July 2024		**627,671,911**	**215,393,944**	**983,393,355**	**1,826,459,210**
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	(76,578,145)	76,578,144	0	0
Balance as at 30 June 2025		**648,003,917**	**232,178,797**	**983,393,355**	**1,863,576,069**
Comprehensive income for the period					
Net result for the period		35,275,140	0	0	35,275,140
Other comprehensive income for the period	17	0	0	24,246,223	24,246,223
Total comprehensive income for the period		35,275,140	0	24,246,223	59,521,363
Transfers from reserve accounts	28	57,051,950	(57,051,950)	0	0
Transfers to reserve accounts	28	(80,333,154)	80,333,154	0	0
Balance as at 30 June 2026		**659,997,852**	**255,460,001**	**1,007,639,578**	**1,923,097,431**

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 2026

	Note	2026 Actual	2025 Actual
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		142,599,634	132,742,835
Grants, subsidies and contributions		20,501,381	15,918,073
Fees and charges		43,438,327	31,654,591
Service charges		1,886,174	275,054
Interest revenue		13,371,805	12,511,595
Goods and services tax received		10,472,376	11,892,411
Other revenue		1,030,000	0
		233,299,697	204,994,559
Payments			
Employee costs		(84,234,662)	(81,206,691)
Materials and contracts		(48,954,570)	(37,552,368)
Utility charges		(7,233,030)	(6,552,846)
Finance costs		(192,505)	4,522,679
Insurance paid		(3,155,587)	(2,737,076)
Goods and services tax paid		(4,142,304)	(4,696,391)
Other expenditure		(10,634,718)	(14,950,825)
		(158,547,376)	(143,173,518)
Net cash provided by operating activities	18(b)	74,752,321	61,821,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - term deposits		(34,362,134)	(8,953,962)
Payments for purchase of property, plant & equipment		(25,193,186)	(27,578,310)
Payments for construction of infrastructure		(18,374,045)	(33,486,851)
Proceeds from capital grants, subsidies and contributions		9,876,233	10,122,086
Proceeds from sale of property, plant & equipment		1,435,918	5,050,326
Net cash (used in) investing activities		(66,617,214)	(54,846,711)
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)	(767,261)	(460,053)
Net cash (used in) financing activities		(3,267,261)	(2,960,053)
Net increase in cash held		4,867,846	4,014,277
Cash at beginning of year		17,004,551	12,990,274
Cash and cash equivalents at the end of the year	18(a)	21,872,397	17,004,551

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 2026

	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	141,748,199	140,800,000	134,342,684
Rates excluding general rates	25	688,208	660,000	654,324
Grants, subsidies and contributions		16,719,473	15,884,335	13,622,806
Fees and charges		43,438,327	43,832,904	42,788,518
Service charges		1,886,174	200,000	275,054
Interest revenue		13,371,805	13,135,800	12,511,595
Other revenue		1,030,000	0	0
Profit on asset disposals		1,026,674	0	2,109,968
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	151,117	0	0
		220,059,977	214,513,039	206,304,949
Expenditure from operating activities				
Employee costs		(85,822,863)	(85,494,535)	(81,531,983)
Materials and contracts		(50,781,563)	(59,467,942)	(47,656,295)
Utility charges		(7,233,030)	(6,768,187)	(6,552,846)
Depreciation		(51,755,027)	(47,678,961)	(51,104,142)
Finance costs		(1,771,233)	(170,229)	(1,579,695)
Insurance		(3,155,587)	(2,804,500)	(2,737,076)
Other expenditure		(11,381,270)	(14,916,773)	(13,896,234)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	(7,103)
Revaluation decrement - landfill infrastructure		(5,245,619)	0	0
		(217,146,192)	(217,301,127)	(205,065,374)
Total amounts excluded from operating activities	26(a)	67,917,707	47,678,961	54,970,962
Amount attributable to operating activities		70,831,492	44,890,873	56,210,537
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		32,361,355	24,687,971	35,877,284
Proceeds from disposal of property, plant and equipment	8(a)	1,435,918	0	5,050,326
Proceeds from disposal of financial assets at amortised cost - term deposits		0	1,492,937	0
		33,797,273	26,180,908	40,927,610
Outflows from investing activities				
Right of use assets received - non-cash	11(a)	(638,151)	0	(1,611,717)
Acquisition of property, plant and equipment	8(a)	(25,193,178)	(36,085,339)	(27,578,310)
Acquisition of infrastructure	9(a)	(40,859,167)	(29,289,013)	(59,242,049)
Payments for financial assets at amortised cost - term deposits		(34,362,134)	0	(8,953,962)
		(101,052,630)	(65,374,352)	(97,386,038)
Total amounts excluded from investing activities	26(b)	23,890,177	0	10,565,679
Amount attributable to investing activities		(43,365,180)	(39,193,444)	(45,892,749)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non-cash	27(b)	638,151	0	1,611,718
Transfers from reserve accounts	28	57,051,950	44,086,903	59,895,890
		57,690,101	44,086,903	61,507,608
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)	(767,261)	0	(460,053)
Transfers to reserve accounts	28	(80,333,154)	(47,984,332)	(76,578,143)
		(83,600,415)	(50,484,332)	(79,538,196)
Total amounts excluded from financing activities	26(c)	(638,151)	0	(1,611,718)
Amount attributable to financing activities		(26,548,465)	(6,397,429)	(19,642,306)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(d)	10,364,243	1,000,000	19,688,761
Amount attributable to operating activities		70,831,492	44,890,873	56,210,537
Amount attributable to investing activities		(43,365,180)	(39,193,444)	(45,892,749)
Amount attributable to financing activities		(26,548,465)	(6,397,429)	(19,642,306)
Surplus or deficit after imposition of general rates	26(d)	**11,282,090**	**300,000**	**10,364,243**

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

CITY OF COCKBURN
FOR THE YEAR ENDED 30 JUNE 2026
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CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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 with exception to the following:

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 Leases 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;

are measured at reportable value, and 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.

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, no new or revised Australian Accounting Standards and Interpretations were applied for the first time which are expected to have a material impact.

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 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.
- AASB 18 *(NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*

This standard is expected to have a material impact on the disclosures required to be made in the annual financial report for the year ended 30 June 2029 onwards.

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

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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 2026

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	142,436,407	0	142,436,407
Grants, subsidies and contributions	0	0	0	16,719,473	16,719,473
Fees and charges	0	0	4,920,937	38,517,390	43,438,327
Service charges	0	0	1,886,174	0	1,886,174
Interest revenue	0	0	140,964	13,230,841	13,371,805
Other revenue	0	0	0	1,030,000	1,030,000
Capital grants, subsidies and contributions	0	32,216,048	0	145,307	32,361,355
Total	0	32,216,048	149,384,482	69,643,011	251,243,541

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	35,812,852	0	64,432	35,877,284
Total	0	35,812,852	139,414,461	64,844,952	240,072,265

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2026 Actual	2025 Actual
		$	$
Assets and services acquired below fair value			
Contributed assets		22,485,122	25,755,198
		22,485,122	25,755,198
Interest revenue			
Interest on reserve account		1,291,003	1,048,356
Other interest revenue		12,080,802	11,463,239
		13,371,805	12,511,595
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		110,500	100,500
		110,500	100,500
Employee Costs			
Employee benefit costs		84,563,239	80,245,927
Other employee costs		1,259,624	1,286,056
		85,822,863	81,531,983
Finance costs			
Interest and financial charges paid/payable for financial liabilities not at fair value through profit or loss		81,462	168,743
Provisions: unwinding of discount		1,578,728	1,336,056
Lease liabilities		111,042	74,896
		1,771,232	1,579,695
Other expenditure			
Elected member remuneration		642,516	553,602
Donations		1,541,364	1,530,717
Landfill levy		7,371,481	9,486,346
Fuel issues		1,346,597	1,296,309
Sundry expenses		479,312	1,029,260
		11,381,270	13,896,234

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

3. CASH AND CASH EQUIVALENTS

	Note	2026	2025
		$	$
Cash at bank and on hand		3,872,397	7,004,551
Term deposits		18,000,000	10,000,000
Total cash and cash equivalents	18(a)	21,872,397	17,004,551
Held as			
- Unrestricted cash and cash equivalents		11,706,201	6,801,976
- Restricted cash and cash equivalents	18(a)	10,166,196	10,202,575
		21,872,397	17,004,551

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	2026	2025
		$	$
(a) Current assets			
Financial assets at amortised cost		168,000,000	143,000,000
		168,000,000	143,000,000
Other financial assets at amortised cost			
Term deposits		168,000,000	143,000,000
		168,000,000	143,000,000
Held as			
- Unrestricted other financial assets at amortised cost		25,629,591	15,824,592
- Restricted other financial assets at amortised cost	18(a)	142,370,409	127,175,408
		168,000,000	143,000,000
(b) Non-current assets			
Financial assets at amortised cost		110,101,682	100,739,548
Financial assets at fair value through profit or loss		310,356	159,239
		110,412,038	100,898,787
Financial assets at amortised cost			
Term deposits		110,101,682	100,739,548
		110,101,682	100,739,548
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		159,239	166,342
Movement attributable to fair value increment		151,117	(7,103)
Units in Local Government House Trust - closing balance		310,356	159,239

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 financial assets at fair value 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 2026

5. TRADE AND OTHER RECEIVABLES

	Note	2026	2025
		$	$
Current			
Rates and statutory receivables		1,992,676	2,029,658
Trade receivables		10,581,310	11,134,420
GST receivable		1,524,392	1,631,888
		14,098,378	14,795,966
Non-current			
Rates and statutory receivables		1,277,979	1,184,843
Trade receivables		3,549,999	3,549,999
Underground Power Debtors		1,325,056	0
		6,153,034	4,734,842

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 the amount 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.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts receivable as grants with sufficiently specific performance obligations or for the construction of recognisable non-financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price.

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 more than 12 months 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, therefore any difference between the face value and fair value is considered immaterial.

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

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

6. INVENTORIES

	Note	2026	2025
Current		$	$
Fuel and materials		87,123	31,283
		87,123	31,283
The following movements in inventories occurred during the year:			
Balance at beginning of year		31,283	34,392
Reduction in inventory		(746,552)	(1,057,700)
Additions to inventory		802,392	1,054,591
Balance at end of year		87,123	31,283

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 2026

7. OTHER ASSETS

	2026	2025
	$	$
Other assets - current		
Prepayments	1,677,731	926,804
Accrued income	1,717,032	2,984,383
	3,394,763	3,911,187

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 2026

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 - Restated **	Buildings	Land - Restated **	Buildings	Total property - Restated **	Furniture and equipment	Plant and equipment	Computer equipment	Total property, plant and equipment - Restated **
		$	$	$	$	$	$	$	$	$
**Balance at 1 July 2024 - Restated ** **		99,845,288	288,146,318	99,845,288	288,146,318	387,991,606	726,215	11,243,965	3,365,594	403,327,380
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		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 - Restated ** **		97,216,163	302,161,518	97,216,163	302,161,518	399,377,681	1,124,535	14,395,043	2,654,363	417,551,622
Comprises:										
Gross balance amount at 30 June 2025		97,216,163	427,824,759	97,216,163	427,824,759	525,040,922	3,390,627	31,951,638	14,289,626	574,672,813
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 - Restated ** **	8(b)	97,216,163	302,161,518	97,216,163	302,161,518	399,377,681	1,124,535	14,395,043	2,654,363	417,551,622
Additions*		0	18,284,370	0	18,284,370	18,284,370	428,149	6,418,705	44,024	25,175,248
Disposals		0	0	0	0	0	0	(409,244)	0	(409,244)
Revaluation increments / (decrements) transferred to revaluation surplus		8,016,045	4,670,654	8,016,045	4,670,654	12,686,699	0	0	0	12,686,699
Depreciation		0	(5,983,096)	0	(5,983,096)	(5,983,096)	(208,614)	(3,582,841)	(829,307)	(10,603,858)
Transfers		0	(1,710,551)	0	(1,710,551)	(1,710,551)	26,614	(480,782)	(26,616)	(2,191,335)
Balance at 30 June 2026		105,232,208	317,422,895	105,232,208	317,422,895	422,655,103	1,370,684	16,340,881	1,842,464	442,209,132
Comprises:										
Gross balance amount at 30 June 2026		105,232,208	455,038,443	105,232,208	455,038,443	560,270,651	3,845,519	32,939,097	14,306,905	611,362,172
Accumulated depreciation at 30 June 2026		0	(137,615,548)	0	(137,615,548)	(137,615,548)	(2,474,835)	(16,598,216)	(12,464,441)	(169,153,040)
Balance at 30 June 2026	8(b)	105,232,208	317,422,895	105,232,208	317,422,895	422,655,103	1,370,684	16,340,881	1,842,464	442,209,132

* Asset additions included non-cash additions. Refer to note 18(c).
** The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2026 $	Carrying amount 2025 - Restated * $	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								
Land - market value		105,232,208	97,216,163	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2026	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
Total land	8(a)	105,232,208	97,216,163					
Buildings - non specialised		317,422,895	302,161,518	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2026	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
Total buildings	8(a)	317,422,895	302,161,518					

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 land at market value of buildings using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

* The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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 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
Additions*	20,105,812	8,861,080	4,283,450	7,171,386	270,441	166,998	0	0	40,859,167
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	(40,532)	27,185	11,572,870	0	11,559,523
Revaluation (decrement) / reversals transferred to profit or loss	0	0	0	0	(5,245,619)	0	0	0	(5,245,619)
Depreciation	(17,649,716)	(3,805,956)	(3,966,991)	(8,049,538)	(1,942,140)	(588,407)	(644,461)	(3,730,979)	(40,378,188)
Transfers	2,230,870	1,280,441	44,553	(2,235,768)	353,760	1	535,419	0	2,209,276
Remeasurement	0	0	0	0	0	0	0	(474,556)	(474,556)
Balance at 30 June 2026	649,525,151	314,158,249	125,017,927	95,456,740	18,114,249	11,536,256	58,890,320	7,670,686	1,280,369,578
Comprises:									
Gross balance at 30 June 2026	1,063,987,551	391,526,205	189,302,542	156,788,480	67,973,280	15,173,045	65,014,745	42,248,084	1,992,013,932
Accumulated depreciation at 30 June 2026	(414,462,400)	(77,367,956)	(64,284,615)	(61,331,740)	(49,859,031)	(3,636,789)	(6,124,425)	(34,577,398)	(711,644,354)
Balance at 30 June 2026	649,525,151	314,158,249	125,017,927	95,456,740	18,114,249	11,536,256	58,890,320	7,670,686	1,280,369,578

* Asset additions included non-cash additions. Refer to note 18(c).

CITY OF COCKBURN
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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 2026	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 2026	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 2026	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 2026	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount

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

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

CITY OF COCKBURN
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FOR THE YEAR ENDED 30 JUNE 2026

10. FIXED ASSETS

(a) Depreciation

Depreciation rates
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.

	2026	2025
	$	$
Buildings - non specialised	0	51,000
Furniture and equipment	11,830,256	11,335,988
Plant and equipment	6,538,416	6,857,038
	18,368,672	18,244,026

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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.

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 is the reportable value.

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, is 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 and the accumulated depreciation is the balancing figure; 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
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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 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
Additions *		638,151	638,151
Depreciation		(772,995)	(772,995)
Balance at 30 June 2026		2,184,659	2,184,659
Gross balance amount at 30 June 2026		3,647,013	3,647,013
Accumulated depreciation at 30 June 2026		(1,462,354)	(1,462,354)
Balance at 30 June 2026		2,184,659	2,184,659

* 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:		2026 Actual	2025 Actual
		$	$
Depreciation on right-of-use assets		(772,995)	(482,827)
Finance charge on lease liabilities	27(b)	(111,042)	(74,896)
Total amount recognised in the statement of comprehensive income		(884,037)	(557,723)
Total cash outflow from leases		(878,303)	(534,949)

(b) Lease liabilities

Current		834,231	634,094
Non-current		1,403,558	1,732,808
	27(b)	2,237,789	2,366,902

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 asset for a period of time in exchange for consideration.

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

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

Details of individual lease liabilities required by regulations are provided at Note 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.

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

Right-of-use assets - depreciation

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

CITY OF COCKBURN
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12. TRADE AND OTHER PAYABLES

	2026	2025 - Restated *	2024 - Restated *
	$	$	
Current			
Sundry creditors - Restated *	27,031,170	27,503,393	13,057,374
Prepaid rates	2,508,594	2,289,213	2,320,390
ATO liabilities	312,558	372,990	299,835
Bonds and deposits held	3,557,486	2,493,449	2,495,324
Other prepaid income	197,812	166,102	150,122
	33,607,620	32,825,147	18,323,045
Non-current			
Non current creditors - Restated *	0	0	11,110,108
Sundry bonds and deposits	3,946,162	2,456,724	2,192,268
	3,946,162	2,456,724	13,302,376

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.

* The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
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FOR THE YEAR ENDED 30 JUNE 2026

13. OTHER LIABILITIES

	2026	2025
	$	$
Current		
Contract liabilities	2,216,758	2,583,223
	2,216,758	2,583,223
Non-current		
Contract liabilities from transfers for recognisable non financial assets	26,754,989	15,612,103
	26,754,989	15,612,103
Reconciliation of changes in contract liabilities		
Opening balance	2,583,223	3,512,697
Additions	2,216,758	2,583,223
Revenue from contracts with customers included as a contract liability at the start of the period	(2,583,223)	(3,512,697)
	2,216,758	2,583,223
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	15,612,103	12,387,362
Additions	26,754,989	15,612,103
Revenue from capital grant/contributions held as a liability at the start of the period	(15,612,103)	(12,387,362)
	26,754,989	15,612,103
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	6,135,931	2,583,223
1 to 2 years	0	2,000,000
2 to 3 years	427,861	3,000,000
3 to 4 years	8,516,593	500,000
4 to 5 years	11,163,579	1,806,778
> 5 years	511,025	5,522,102
	26,754,989	15,412,103

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

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
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FOR THE YEAR ENDED 30 JUNE 2026

14. BORROWINGS

		2026			2025		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Bank loans		0	0	0	2,500,000	0	2,500,000
Total secured borrowings	27(a)	0	0	0	2,500,000	0	2,500,000

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 hierarchy (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
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15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2026	2025
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	5,503,257	4,919,482
Long service leave	5,538,455	5,265,027
	11,041,712	10,184,509
Total current employee related provisions	11,041,712	10,184,509
Non-current provisions		
Employee benefit provisions		
Long service leave	2,562,481	1,771,051
	2,562,481	1,771,051
Total non-current employee related provisions	2,562,481	1,771,051
Total employee related provisions	13,604,193	11,955,560

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	2026	2025
Amounts are expected to be settled on the following basis:		**$**	**$**
Less than 12 months after the reporting date		11,041,712	10,184,509
More than 12 months from reporting date		2,562,481	1,771,051
		13,604,193	11,955,560

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 assumptions such as 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
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16. OTHER PROVISIONS

	Provision for rehabilitation of landfill	Total
	$	$
Opening balance at 1 July 2025		
Non-current provisions	42,211,988	42,211,988
	42,211,988	42,211,988
Additional provision	720,564	720,564
Unused amounts reversed	(1,195,120)	(1,195,120)
Charged to profit or loss		
- unwinding of discount	1,578,728	1,578,728
Balance at 30 June 2026	43,316,160	43,316,160
Comprises		
Non-current	43,316,160	43,316,160
	43,316,160	43,316,160

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
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17. REVALUATION SURPLUS

	2026 Opening balance	Total Movement on revaluation	2026 Closing balance	2025 Opening balance	Total Movement on revaluation	2025 Closing balance
	$	$	$	$	$	$
Revaluation surplus - Land	111,732,899	8,016,045	119,748,944	111,732,899	0	111,732,899
Revaluation surplus - Buildings	56,294,831	4,670,654	60,965,485	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	(40,533)	0	40,533	0	40,533
Revaluation surplus - Infrastructure - coastal	24,566,155	11,600,055	36,166,210	24,566,155	0	24,566,155
	983,393,355	24,246,223	1,007,639,576	983,393,355	0	983,393,355

CITY OF COCKBURN
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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	2026 Actual	2025 Actual
		$	$
Cash and cash equivalents	3	21,872,397	17,004,551
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	10,166,196	10,202,575
- Financial assets at amortised cost	4	252,472,091	227,914,956
		262,638,287	238,117,531
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	255,460,001	232,178,797
Contract liabilities	13	2,216,758	2,583,223
Bonds & deposits		3,946,162	2,456,724
Financial assets at fair value through profit and loss		310,356	159,239
Restricted non-current investment		705,010	739,548
Total restricted financial assets		262,638,287	238,117,531

(b) Reconciliation of net result to net cash provided by operating activities

Net result		35,275,140	37,116,859
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(151,117)	7,103
Depreciation/amortisation		51,755,027	51,104,142
(Profit)/loss on sale of asset		(1,026,674)	(2,109,968)
Decrement on revaluation of infrastructure assets		5,245,619	0
Assets received for substantially less than fair value		(22,485,122)	(25,755,198)
Changes in assets and liabilities:			
(Increase) in trade and other receivables		(720,595)	(177,195)
(Increase)/decrease in other assets		516,424	(551,953)
(Increase)/decrease in inventories		(55,840)	3,109
Increase in trade and other payables		2,271,910	3,656,450
Increase in employee related provisions		1,648,633	252,137
Increase in other provisions		1,578,728	6,102,374
Increase in other liabilities		10,776,421	2,295,267
Capital grants, subsidies and contributions		(9,876,233)	(10,122,086)
Net cash provided by operating activities		74,752,321	61,821,041

(c) Non-cash investing and financing activities

Acquisition of property plant and equipment below fair value	8(a)	145,307	0
Acquisition of infrastructure below fair value		22,339,815	25,755,198
Acquisition of property, plant and equipment by assuming directly related liabilities	16	(145,307)	0
Acquisition of infrastructure on recognition of related provision		(22,339,815)	(25,755,198)

(d) Undrawn borrowing facilities

Credit standby arrangements			
Credit card limit		350,000	350,000
Credit card balance at balance date		(64,133)	(81,624)
Total amount of credit unused		285,867	268,376
Loan facilities			
Loan facilities - current		0	2,500,000
Total facilities in use at balance date		0	2,500,000
Unused loan facilities at balance date		NIL	NIL

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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:

- 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

	2026	2025 - Restated *
	$	$
Contracted for:		
- capital expenditure projects	7,245,355	4,035,355
- Beale Park Redevelopment	2,209,250	398,397
- Waterbuttons Park - New Playground	0	336,421
- Cockburn ARC Expansion	75,772	392,827
- plant & equipment purchases	3,576,797	5,769,907
	13,107,174	10,932,907
Payable:		
- not later than one year	13,107,174	10,932,907

* The comparative information is restated on account of correction of error, see note 29.

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FOR THE YEAR ENDED 30 JUNE 2026

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
Mayor's annual allowance		100,514	103,913	97,115
Mayor's meeting attendance fees		53,215	56,557	51,411
Mayor's superannuation		18,643	19,256	0
Mayor's annual allowance for ICT expenses		3,500	3,750	3,500
Mayor's travel and accommodation expenses		7,582	10,000	6,175
		183,454	193,476	158,201
Deputy Mayor's annual allowance		25,128	25,978	24,279
Deputy Mayor's meeting attendance fees		35,380	36,506	31,422
Deputy Mayor's superannuation		7,235	7,498	0
Deputy Mayor's annual allowance for ICT expenses		3,500	3,750	3,500
Deputy Mayor's travel and accommodation expenses		7,116	10,000	307
		78,359	83,732	59,508
All other council member's meeting attendance fees		280,840	292,048	274,224
All other council member's superannuation		39,071	33,246	0
All other council member's child care expenses		2,945	13,000	4,140
All other council member's other expenses		13,371	15,000	1,204
All other council member's annual allowance for ICT expenses		28,000	30,000	28,000
All other council member's travel and accommodation expenses		16,476	80,000	4,303
		380,703	463,294	311,871
	21(b)	642,516	740,502	529,580

(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		2,846,218		2,223,104
Post-employment benefits		342,154		252,925
Employee - other long-term benefits		857,441		657,902
Employee - termination benefits		0		21,850
Council member costs	21(a)	642,516		529,580
		4,688,329		3,685,361

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 2026

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Outside of normal citizen type transactions with the City, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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

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

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

(a) Interest rate risk

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

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

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	$	$	$	$
2026					
Cash and cash equivalents	3.90%	21,872,397	18,000,000	3,872,397	0
Financial assets at amortised cost - term deposits	4.6159%	278,101,682	278,101,682	0	0
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

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

	2026	2025
	$	$
Impact of a 1% movement in interest rates on profit or loss and equity*	38,724	70,046

* 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 2026

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 2025 or 1 July 2026 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 2026 and 30 June 2025 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 2026					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	13,545,105	368,672	89,999	127,532	14,131,308
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,710,728	129,232	403,209	2,876,935	6,120,104
Loss allowance	0	0	0	0	0
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	14,445,130	27,300	299	211,690	14,684,419
Loss allowance	0	0	0	0	0
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,630,860	203,086	338,477	2,673,966	4,846,389
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 2026

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	
	2026 Actual	2025 Actual	2026 Actual	2025 Actual	2026 Actual	2025 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	0	0	0	0	0
Unused amount reversed	0	0	0	0	0	0
Closing loss allowance at 30 June	0	0	0	0	0	0

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

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

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 2026

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(d).

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.

2026	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying amount $
Trade and other payables	33,607,620	3,946,162	0	37,553,782	37,553,782
Lease liabilities	834,231	1,403,558	0	2,237,789	2,237,789
	34,441,851	5,349,720	0	39,791,571	39,791,571
2025 - Restated *					
Trade and other payables	32,825,147	2,456,724	0	35,281,871	35,281,871
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
	35,959,241	4,189,532	0	40,148,773	40,148,773

* The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 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 resale are classified as current or non-current based on the City's intentions to release for sale.

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

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

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

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

f) Superannuation
The City contributes to a number of Superannuation Funds on behalf of employees and council members. 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the City at the end of the reporting period.

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. The City only considers whether the highest and best use differs from its current use where it is highly probable a non-financial asset will be used for an alternative purpose or the asset is held for the purpose of generating net cash inflows.

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.

j) 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.

k) 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 2026

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 2026

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2026 Actual	2025 Actual - Restated*
	$	$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	1,791,598	317,523
General purpose funding	158,099,388	148,006,052
Law, order, public safety	763,008	789,171
Health	376,566	344,654
Education and welfare	829,670	930,869
Community amenities	16,809,401	18,191,936
Recreation and culture	15,115,708	14,122,874
Transport	690,697	312,488
Economic services	4,001,263	3,593,703
Other property and services	4,863,204	6,065,768
	203,340,503	192,675,038
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	173,668	155,394
General purpose funding	11,529,073	7,152,863
Law, order, public safety	617,953	376,816
Health	4,016	18,591
Education and welfare	4,098,652	6,703,212
Community amenities	604,703	598,926
Recreation and culture	4,793,798	997,034
Transport	26,074,575	32,046,278
Other property and services	1,184,391	1,450,978
	49,080,829	49,500,092
Total income	252,421,332	242,175,130
Expenses		
Governance	(14,367,212)	(13,418,215)
General purpose funding	(507,949)	(600,861)
Law, order, public safety	(10,447,434)	(9,960,059)
Health	(3,541,929)	(3,257,579)
Education and welfare	(15,179,219)	(16,929,911)
Community amenities	(52,457,749)	(49,460,014)
Recreation and culture	(63,543,240)	(58,390,799)
Transport	(45,492,385)	(43,644,100)
Economic services	(3,140,324)	(3,109,301)
Other property and services	(8,468,751)	(6,287,432)
Total expenses	(217,146,192)	(205,058,271)
Net result for the period	35,275,140	37,116,859
(c) Assets		
Governance	22,214,304	34,277,915
General purpose funding	308,971,133	264,117,840
Law, order, public safety	514,737	476,819
Health	1,097,740	1,034,422
Education and welfare	1,368,960	1,420,607
Community amenities	19,105,173	14,148,751
Recreation and culture	199,741,034	202,338,438
Transport	1,088,409,605	1,074,784,444
Economic services	260,090	253,631
Other property and services*	407,098,326	383,234,849
Total assets	2,048,781,102	1,976,087,716

* The comparative information is restated on account of correction of error, see note 29.

CITY OF COCKBURN
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25. RATING INFORMATION

(a) General rates

RATE TYPE Rate description	Basis of valuation	Rate in $	Number of properties	2025/26 Actual rateable value*	2025/26 Actual rate revenue	2025/26 Actual interim rates	2025/26 Actual total revenue	2025/26 Budget rate revenue	2025/26 Budget interim rate	2025/26 Budget total revenue	2024/25 Actual total revenue
				$	$	$	$	$	$	$	$
Improved Commercial/Industrial - Gross rental valuation	Gross rental valuation	0.09646	2,880	377,075,158	36,372,670	366,351	36,739,021	36,372,670	0	36,372,670	34,499,134
Improved Commercial - Caravan Park	Gross rental valuation	0.09158	2	2,658,240	243,442	0	243,442	243,442	0	243,442	232,968
Improved Residential	Gross rental valuation	0.08387	35,419	846,286,658	70,978,062	1,368,995	72,347,057	70,978,062	0	70,978,062	66,358,173
Vacant	Gross rental valuation	0.10408	1,522	34,636,306	3,604,947	(150,578)	3,454,369	3,604,947	0	3,604,947	3,456,478
Rural Vacant Land	Unimproved valuation	0.00388	38	61,190,000	237,417	0	237,417	237,417	0	237,417	233,418
Rural General	Unimproved valuation	0.00256	59	65,385,000	167,386	(3,624)	163,762	167,386	0	167,386	163,108
Part Year Rating - GRV & UV	Split valuation						0	0	780,321	780,321	1,975,394
Total general rates			39,920	1,387,231,362	111,603,924	1,581,144	113,185,068	111,603,924	780,321	112,384,245	106,918,673
		Minimum payment $									
Minimum payment											
Improved Commercial/Industrial - Gross rental valuation	Gross rental valuation	951	204	1,654,019	194,004	0	194,004	194,004	0	194,004	163,800
Improved Residential	Gross rental valuation	1,591	14,217	234,017,862	22,619,247	0	22,619,247	22,619,247	0	22,619,247	21,705,514
Vacant	Gross rental valuation	852	987	6,095,993	840,924	0	840,924	840,924	0	840,924	1,146,705
Rural Vacant Land	Unimproved valuation	1,147	1	13,000	1,147	0	1,147	1,147	0	1,147	1,098
Rural General	Unimproved valuation	1,147	2	5,291	2,294	0	2,294	2,294	0	2,294	3,294
Total minimum payments			15,411	241,786,165	23,657,616	0	23,657,616	23,657,616	0	23,657,616	23,020,411
Total general rates and minimum payments			55,331	1,629,017,527	135,261,540	1,581,144	136,842,684	135,261,540	780,321	136,041,861	129,939,084
		Rate in $									
Specified area rates											
Port Coogee Special Maintenance	Gross rental valuation	0.01292	1,075	36,899,445	481,717	0	481,717	460,505	0	460,505	458,163
Port Coogee Waterways	Gross rental valuation	0.01292	266	9,744,014	125,751	0	125,751	121,605	0	121,605	121,218
Cockburn Coast Special Maintenance	Gross rental valuation	0.01200	238	6,365,810	80,740	0	80,740	77,890	0	77,890	74,943
Ex-gratia rates											
Ex-gratia rates	Split valuation				5,712,943	188,330	5,901,273	5,712,943	0	5,712,943	5,330,397
Part-year rates					0	0	0	0	15,000	15,000	0
Total amount raised from rates (excluding general rates)			1,579	53,009,269	6,401,151	188,330	6,589,481	6,372,943	15,000	6,387,943	5,984,721
Concessions							(995,758)			(969,804)	(926,797)
Total rates							142,436,407			141,460,000	134,997,008
(a) Rates related information											
Rates overdue interest							89,779			115,000	94,310

*Rateable Value at time of raising of rate.

CITY OF COCKBURN
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FOR THE YEAR ENDED 30 JUNE 2026

26. DETERMINATION OF SURPLUS OR DEFICIT

The following amounts have been excluded from the determination of the budgeted deficiency in accordance with *Financial Management Regulation 32*. Reconciling items relate to movements within current assets and liabilities reflected on the statement of financial activity and required to reconcile the Net current assets to the surplus or deficit after imposition of general rates.

	Note	2025/26 (30 June 2026 carried forward)	2025/26 Budget (30 June 2026 carried forward)	2024/25 (30 June 2025 carried forward)
		$	$	$
(a) Amounts excluded from operating activities				
Less: Profit on asset disposals		(1,026,674)	0	(2,109,968)
Less: Movement in liabilities associated with restricted cash		11,142,886	0	3,224,741
Less: Fair value adjustments to financial assets at fair value through profit or loss		(151,117)	0	7,103
Add: Decrement on revaluation of infrastructure assets	9(a)	5,245,619	0	0
Add: Depreciation	10(a)	51,755,027	47,678,961	51,104,142
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		(93,136)	0	(29,546)
- Employee benefit provisions		791,430	0	(45,548)
- Other provisions		1,578,728	0	6,102,374
- Trade and other receivables		(1,325,056)	0	(3,282,336)
Total amounts excluded from operating activities		67,917,707	47,678,961	54,970,962
(b) Amounts excluded from investing activities				
Add: Property, plant and equipment received for substantially less than fair value	18(c)	145,307	0	0
Add: Infrastructure received for substantially less than fair value	18(c)	22,339,815	0	25,755,198
Add: Right of use assets received - non-cash	11(a)	638,151	0	1,611,717
Less: Non-cash capital grants, subsidies and contributions		(22,485,122)	0	(25,755,198)
Reconciling item - movement between current assets				
- Financial assets at amortised cost - term deposits		34,362,134	0	8,953,962
Prior year recognition of land acquisition		(11,110,108)	0	0
Total amounts excluded from investing activities		23,890,177	0	10,565,679
(c) Amounts excluded from financing activities				
Non-cash proceeds from new leases	27(b)	(638,151)	0	(1,611,718)
Total amounts excluded from financing activities		(638,151)	0	(1,611,718)
(d) Adjustments to net current assets				
Less: Reserve accounts	28	(255,460,001)	(226,868,504)	(232,178,797)
Less: Bonds and deposits		(3,946,162)	(4,000,000)	(2,456,724)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	0	2,225,516	2,500,000
- Current portion of lease liabilities	11(b)	834,231	100,000	634,094
- Financial assets - restricted - non current		110,101,682	0	100,739,548
- Trade and other payables		0	0	11,110,108
Total adjustments to net current assets		(148,470,250)	(228,542,988)	(119,651,771)
Net current assets used in the statement of financial activity				
Total current assets		207,452,661	261,323,950	178,742,987
Less: Total current liabilities		(47,700,321)	(32,480,962)	(48,726,973)
Less: Total adjustments to net current assets		(148,470,250)	(228,542,988)	(119,651,771)
Surplus or deficit after imposition of general rates		11,282,090	300,000	10,364,243

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
		$	$	$	$	$	$	$	$	$	$	$
To assist funding the Cockburn		5,000,000	0	(2,500,000)	2,500,000	0	(2,500,000)	0	2,500,000	0	(2,500,000)	0
Total borrowings	14	5,000,000	0	(2,500,000)	2,500,000	0	(2,500,000)	0	2,500,000	0	(2,500,000)	0

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025
					$	$	$
To assist funding the Cockburn	8	WATC*	2.96%	30/06/2026	(81,462)	(70,000)	(168,743)
Total					(81,462)	(70,000)	(168,743)
Total finance cost payments					(81,462)	(70,000)	(168,743)

* WA Treasury Corporation

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
		$	$	$	$	$	$	$	$	$	$	$
Multifunctional devices (MFD's)		8,099	(8,099)	0	0	0	0	0	0	0		0
Shark Barrier - New Contract		406,351	21,284	(104,357)	323,278	0	(114,088)	209,190	100,000	0	(100,000)	0
Cockburn ARC Gym Lease		800,787	0	(170,941)	629,846	0	(176,846)	453,000	0	0		0
Dell 1 Staff Replacement Devices		0	1,555,353	(182,272)	1,373,081	0	(333,276)	1,039,805	0	0		0
Dell 2 Staff Replacement Devices		0	43,180	(2,483)	40,697	0	(9,890)	30,807	0	0		0
Dell 3 Staff Replacement Devices		0	0	0	0	32,405	(4,522)	27,883	0	0		0
Dell 4 Staff Replacement Devices		0	0	0	0	27,847	(3,005)	24,842	0	0		0
Cockburn ARC Gym Lease Phase 2		0	0	0	0	553,323	(120,305)	433,018	0	0		0
Motor Vehicle Roe8		0	0	0	0	24,576	(5,329)	19,247	0	0		0
Total lease liabilities	11(b)	1,215,237	1,611,718	(460,053)	2,366,902	638,151	(767,261)	2,237,792	100,000	0	(100,000)	0

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025	Lease term
					$	$	$	
Multifunctional devices (MFD's)	E6N016202/E6N0162166	Maia Financial	1.49%	1/10/2024	0	(74)	0	60 months
Shark Barrier - New Contract	C100928	Eco Shark Barrier Pty Ltd	3.40%	31/03/2028	(9,219)	(155)	(12,941)	60 months
Cockburn ARC Gym Lease	C101002	CHG Meridian	3.40%	1/10/2028	(18,676)	0	(24,579)	60 months
Dell 1 Staff Replacement Devices	009-7891885-001	Dell Financial Services	5.00%	1/04/2029	(61,085)	0	(36,858)	48 months
Dell 2 Staff Replacement Devices	009-7891885-002	Dell Financial Services	4.90%	1/07/2029	(1,774)	0	(518)	48 months
Dell 3 Staff Replacement Devices	009-7891885-003	Dell Financial Services	5.30%	1/04/2030	(803)	0	0	48 months
Dell 4 Staff Replacement Devices	009-7891885-004	Dell Financial Services	5.70%	1/07/2030	(382)	0	0	48 months
Cockburn ARC Gym Lease Phase 2	2511505	CHG-Meridian	4.70%	1/01/2029	(17,495)	0	0	42 months
Motor Vehicle Roe8	648510	Easifleet	4.60%	7/10/2028	(1,608)	0	0	36 months
Total finance cost payments					(111,042)	(229)	(74,896)	

CITY OF COCKBURN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

28. RESERVE ACCOUNTS

		2026 Actual opening balance	2026 Actual transfer to	2026 Actual transfer (from)	2026 Actual closing balance	2026 Budget opening balance	2026 Budget transfer to	2026 Budget transfer (from)	2026 Budget closing balance	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by council												
(a)	Open Space Infrastructure	5,571,044	7,511,188	(4,899,765)	8,182,467	3,935,158	7,500,000	(9,685,729)	1,749,429	2,957,823	8,300,000	(5,686,779)	5,571,044
(b)	Plant & Equipment	9,831,552	4,904,336	(5,113,051)	9,622,837	9,062,476	4,000,000	(6,950,339)	6,112,137	11,903,413	3,488,313	(5,560,174)	9,831,552
(c)	Technology	5,102,501	500,000	(931,113)	4,671,388	4,194,514	500,000	(1,336,637)	3,357,877	4,996,707	500,000	(394,206)	5,102,501
(d)	Building Infrastructure	80,637,329	14,871,641	(13,759,840)	81,749,130	76,306,801	13,500,000	(10,999,926)	78,806,875	81,909,811	16,443,763	(17,716,245)	80,637,329
(e)	Commercial Landfill	32,506,773	3,769,027	(900,343)	35,375,457	32,686,247	4,100,000	(1,463,000)	35,323,247	30,626,037	7,195,122	(5,314,386)	32,506,773
(f)	Land Management	3,462,511	10,297,293	0	13,759,804	3,441,914	1,944,332	0	5,386,246	2,496,159	1,070,800	(104,448)	3,462,511
(g)	Roads Infrastructure	26,711,431	12,599,752	(11,214,342)	28,096,841	26,694,252	12,500,000	(10,844,566)	28,349,686	17,551,013	17,500,000	(8,339,582)	26,711,431
(h)	Naval Base Shacks	1,528,049	30,000	0	1,558,049	1,491,186	30,000	0	1,521,186	1,441,186	200,000	(113,137)	1,528,049
(p)	Waste Management	11,793,639	2,425,548	(150,000)	14,069,187	11,825,438	2,000,000	0	13,825,438	10,219,333	3,727,679	(2,153,373)	11,793,639
(i)	Risk	1,880,171	90,111	(36,391)	1,933,891	1,880,171	250,000	0	2,130,171	2,148,515	0	(268,344)	1,880,171
(s)	Project Contingency	14,954,238	1,314,722	(12,482,370)	3,786,590	15,000,000	0	(2,200,000)	12,800,000	14,041,447	6,448,893	(5,536,102)	14,954,238
(t)	Port Coogee Marina	2,907,822	500,000	(166,998)	3,240,824	2,650,822	500,000	0	3,150,822	2,441,833	505,989	(40,000)	2,907,822
(j)	Climate Change Mitigation	2,577,608	500,000	(15,000)	3,062,608	2,331,438	500,000	(15,000)	2,816,438	1,308,938	1,280,000	(11,330)	2,577,608
(n)	Aged and Disabled Asset Replacement	872,681	0	0	872,681	899,632	0	0	899,632	865,226	7,455	0	872,681
(o)	Welfare Projects Employee Entitlements	1	0	0	1	0	0	0	0	504,729	7,614	(512,342)	1
		200,337,350	59,313,618	(49,669,213)	209,981,755	192,400,049	47,324,332	(43,495,197)	196,229,184	185,412,170	66,675,628	(51,750,448)	200,337,350
	Restricted by legislation/agreement												
(k)	Port Coogee Special Maintenance SAR	2,421,264	576,612	(362,103)	2,635,773	2,500,000	460,000	(249,922)	2,710,078	2,259,409	558,214	(396,359)	2,421,264
(l)	Port Coogee Waterways SAR	579,676	152,925	0	732,601	570,000	125,000	0	695,000	436,484	143,192	0	579,676
(m)	POS Cash in Lieu	6,087,941	460,351	0	6,548,292	5,649,812	0	0	5,649,812	5,649,811	438,130	0	6,087,941
(q)	Naval Base Shack Removal	1,031,930	40,382	0	1,072,312	993,077	0	0	993,077	961,449	87,660	(17,179)	1,031,930
(r)	Restricted Funding	5,209,777	5,861,583	(3,905,170)	7,166,190	6,892,543	0	0	6,892,543	7,191,533	3,907,909	(5,889,665)	5,209,777
(u)	Port Coogee Waterways WEMP	726,879	19,914	(402,086)	344,707	900,000	0	(300,000)	600,000	1,015,087	40,033	(328,241)	726,879
(v)	Cockburn Coast SAR	171,877	89,562	(38,058)	223,381	200,000	75,000	(41,784)	233,216	183,240	83,891	(95,254)	171,877
(w)	Developer Contribution Plans - Various	15,612,103	13,818,207	(2,675,320)	26,754,990	12,865,594	0	0	12,865,594	12,387,361	4,643,486	(1,418,744)	15,612,103
		31,841,447	21,019,536	(7,382,737)	45,478,246	30,571,026	660,000	(591,706)	30,639,320	30,084,374	9,902,515	(8,145,442)	31,841,447
		232,178,797	80,333,154	(57,051,950)	255,460,001	222,971,075	47,984,332	(44,086,903)	226,868,504	215,496,544	76,578,143	(59,895,890)	232,178,797

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	Purpose of the reserve account
	Restricted by council	
(a)	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.
(b)	Plant & Equipment	Provides funding for the capital management of the City's fleet of plant and vehicles, as well as major capital equipment requirements.
(c)	Technology	Provides funding for the City's Information, Communication and Technology assets and projects.
(d)	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.
(e)	Commercial Landfill	Provides funds management for capital and other costs associated with the development, management and rehabilitation of a commercial landfill site.
(f)	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.
(g)	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.
(h)	Naval Base Shacks	Provides funding for the development & refurbishment of the Naval Base shacks site.
(p)	Waste Management	Provides funding for future capital requirements relating to the City's waste management services.
(i)	Risk	Provides funding to mitigate annual budgetary impacts from unforeseen risks and events, including the City's performance-based insurances
(s)	Project Contingency	Provides contingency funding for the City's project delivery program.
(t)	Port Coogee Marina	Provides funding for the management of the commercial marina business including the replacement of marina related infrastructure assets and equipment.
(j)	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.
(n)	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.
(o)	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.
	Restricted by legislation/agreement	
(k)	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.
(l)	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.
(m)	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.
(q)	Naval Base Shack Removal	Provides funding for the removal of the Naval Base shacks.
(r)	Restricted Funding	This Reserve is used to quarantine and manage funds received for restricted purposes across financial years.
(u)	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).
(v)	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.
(w)	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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

29. CORRECTION OF PRIOR PERIOD ERROR

The following prior period adjustment is related to non-current assets (Note 8), Trade and other payables (Note 12) and Capital commitments (Note 20).

Nature of prior-period adjustment

A prior period correction has been identified in relation to land that was acquired and titled to the City in 2020 (Lot 505 Cockburn Road, North Coogee). The City entered into a contract of sale with Western Australian Land Authority in April 2020, under which payment for the land was deferred to no later than 30 June 2026 but land title transferred to the City in October 2020.

The City had disclosed a capital commitment for the land purchase in previous years ($11,093,578), however a land asset and payable liability should have been recognised in the financial statements when the City had title to the land. The error has been corrected in these financial statements by recognising the land asset and payable liability as at 1 July 2024, with comparative balances adjusted accordingly. The capital commitments disclosure has also been adjusted to remove the land purchase commitment disclosed in prior periods.

The following tables summarise the effect on City's Financial Report.

Statement of Financial Position (Extract)	Original Balance 01 July 2024 $	Increase/ (Decrease) $	Restated 01 July 2024 $
Property, plant and equipment	392,217,272	11,110,108	403,327,380
Total Non-Current Assets	**1,725,588,304**	**11,110,108**	**1,736,698,412**
Total Assets	**1,916,902,857**	**11,110,108**	**1,928,012,965**
Trade and Other Payables - Non Current	2,192,268	11,110,108	13,302,376
Total Non-Current Liabilities	**56,041,104**	**11,110,108**	**67,151,212**
Total Liabilities	**90,443,646**	**11,110,108**	**101,553,754**
Net assets	**1,826,459,211**	**0**	**1,826,459,211**

Statement of Financial Position (Extract)	Original Balance 30 June 2025 $	Increase/ (Decrease) $	Restated 30 June 2025 $
Property, plant and equipment	406,441,514	11,110,108	417,551,622
Total Non-Current Assets	**1,786,234,621**	**11,110,108**	**1,797,344,729**
Total Assets	**1,964,977,608**	**11,110,108**	**1,976,087,716**
Trade and Other Payables - Current	21,715,039	11,110,108	32,825,147
Total Current Liabilities	**37,616,865**	**11,110,108**	**48,726,973**
Total Liabilities	**101,401,539**	**11,110,108**	**112,511,647**
Net assets	**1,863,576,069**	**0**	**1,863,576,069**

OFFICIAL

Auditor General

INDEPENDENT AUDITOR'S REPORT
2026
City of Cockburn

To the Council of the City of Cockburn

Opinion

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

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, 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 2026 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2025 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the City's annual report for the year ended 30 June 2026, but not the financial report and my auditor's report.

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

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The Chief Executive Officer (CEO) of the City is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the City's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other*

Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City for the year ended 30 June 2026 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
3 December 2026