



City of Cockburn Annual General Meeting of Electors **Agenda Paper**

For Tuesday, 5 February 2019

This Annual General Meeting of Electors will be conducted in accordance with Section 5.31 of the Local Government Act and Clauses 17 and 18 of the Local Government (Administration) Regulations 1996. Only Electors/Ratepayers are able to speak and vote at the meeting. All decisions will be made by a simple majority. An Elector is someone who is a resident in the district and on the Electoral Roll or who owns property in the district and is therefore eligible to be on the Electoral Roll.

AGENDA
ANNUAL GENERAL MEETING OF ELECTORS
TO BE HELD ON TUESDAY, 5 FEBRUARY 2019 AT 7:00 PM

1. DECLARATION OF MEETING

The Presiding Member to welcome Cockburn ratepayers, open the meeting and explain the format of the meeting's procedure.

2. PURPOSE OF MEETING

This Annual General Meeting of Electors has been called in accordance with the Section 5.27 of the Local Government Act 1995 and the matters to be discussed areas follows:

3. ANNUAL REPORT

3.1 ANNUAL REPORT 2017-2018

- (a) Copies available on the website and at the door to Electors attending.
- (b) Queries to be answered by Presiding Member or appropriate Staff.

4. GENERAL BUSINESS

4.1 Written Questions

Nil

4.2 Motions On Notice

Nil

4.3 Other Business

5. CLOSURE OF MEETING



City of Cockburn
ANNUAL REPORT 2018





Mission Statement

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

The Mayor, Councillors and the staff of the City of Cockburn acknowledge the Nyungar Whadjuk people who are the traditional custodians of this land. The City is thankful for the help and support of the Aboriginal Reference Group in implementing the Reconciliation Action Plan.

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Version: 1, Version Date: 18/12/2018



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Left: Marie Taylor, Welcome to Country, Coogee Live 2018

Front cover: Performers at Coogee Live 2018

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Elected Members and Executive Team 2017-18

Elected Members



Logan K. Howlett, JP
Mayor



Carol Reeve-Fowkes
Deputy Mayor
until October 2017 and
Councillor, West Ward



Stephen Pratt
Councillor, Central Ward



Chamonix Terblanche
Councillor, East Ward



Lyndsey Sweetman
Councillor, West Ward
until October 2017



Kevin Allen
Councillor, West Ward



Philip Eva, JP
Councillor, Central Ward



Bart Houwen
Councillor, Central Ward
until October 2017



Lee-Anne Smith, OAM
Councillor, East Ward
Deputy Mayor from
October 2017



Lara Kirkwood
Councillor, East Ward
from May 2018



Michael Separovich
Councillor, West Ward
from October 2017



Chontelle Sands
Councillor, Central Ward
from October 2017



Stephen Cain
Chief Executive
Officer



Daniel Arndt
Director Planning
and Development



Charles Sullivan
Director Engineering
and Works



Don Green
Director Governance
and Community
Services



Stuart Downing
Director Finance
and Corporate
Services



Margot Tobin
Executive Manager
Strategy and Civic
Support



We remember Councillor Steven Portelli
East Ward until January 2018

The passing of Councillor Steven (Steve) Portelli
on Australia Day 2018 shocked his family, friends,
colleagues and the community.

Steve was a family-oriented person, a passionate
advocate for the community and actively involved
as a member of the Cockburn Council on many of
its committees and reference groups, as a Council

representative on several external committees,
and on school and community groups.

First elected to Council in 2011, and again in 2015,
Steve represented the East Ward with a dogged
determination to do what he believed was right
for the community that he represented.

As Steve was laid to rest, the City's flags flew
at half-mast as a mark of respect.

May he rest in peace



Council Meeting Attendance of Elected Members 2017-18

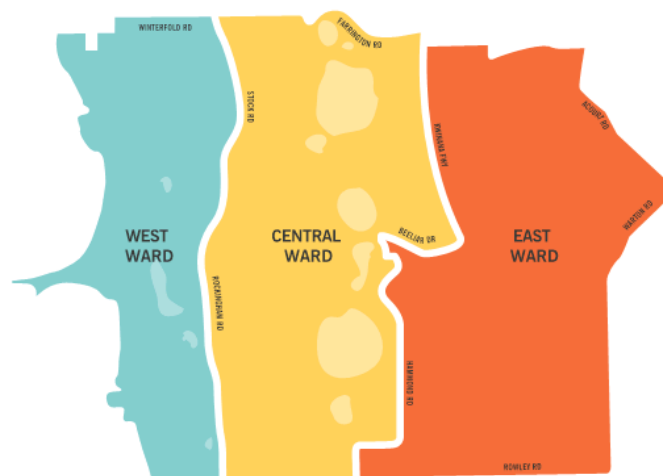
Elected Members	Ordinary Council Meetings (11)	Special Council Meetings (4)	DAPPS# Committee Meetings (3)	Audit and Strategic Finance Committee Meetings (3)
Mayor Logan Howlett	11	4	3	3
Cr Lee-Anne Smith/Deputy Mayor	11	4	2	1
Cr Kevin Allen	9	4	n/a	3
Deputy Mayor/Cr Carol Reeve-Fowkes	9	4	3	3
Cr Stephen Pratt	9	4	1	n/a
Cr Philip Eva	10	3	n/a	n/a
Cr Chamonix Terblanche	9	4	n/a	1
Cr Lara Kirkwood ¹	2	1	n/a	n/a
Cr Chontelle Sands ²	6	3	2	n/a
Cr Michael Separovich ²	7	4	2	2
Cr Lyndsey Sweetman ³	2	n/a	1	n/a
Cr Bart Houwen ³	4	n/a	1	1
Cr Steven Portelli ⁴	4	2	2	2

#Delegated Authorities Policies and Position Statements Committee

- ¹ There were two possible Ordinary Council Meetings and one possible Special Council Meeting that Councillor Kirkwood could have attended following election in May 2018.
- ² There were seven possible Ordinary Council Meetings, four possible Special Council Meetings and two possible DAPPS Committee Meetings that Councillor Sands and Councillor Separovich could have attended following election in October 2017; and two Audit and Strategic Finance Committee Meeting that Councillor Separovich could have attended.
- ³ Councillors Sweetman and Houwen could have attended a possible four Ordinary Council Meetings and two possible DAPPS Committee Meeting during this financial year. Cr Houwen could have attended one possible Audit and Strategic Finance Committee Meeting.
- ⁴ Councillor Portelli could have attended a possible six Ordinary Council Meetings, three Special Council Meetings, two DAPPS Committee Meetings and two Audit and Strategic Finance Committee Meetings.

Ward Populations*

West Ward: 36,600
Central Ward: 39,600
East Ward: 36,000



*Estimated 30 June 2017
Source .id

Mayor's Message

Right: 2018 Australia Day
Community Citizen of the
Year Awardees

Opposite: Hiroshima Day
celebrations with Tatsuo
Hirayama, Consulate
General of Japan



I am delighted to provide my tenth annual report statement to the Cockburn community. The City has made significant progress in delivering on our Strategic Community Plan in the past year, with a large list of infrastructure projects completed and forward planning for others underway.

Council endorsed a tender to supply its general waste for processing at an Energy-from-Waste (EfW) plant for 20 years from 2022. The EfW plant will use moving-grate combustion technology to convert energy from general household waste bins into electricity for the grid, with its ash waste by-products potentially being used in road construction. There will be cost savings and greater volumes of waste diverted from landfill as waste management continues to be a focus of our attention.

I was delighted to officially open Cockburn's new Community Men's Shed in Cockburn Central West this year. Men's sheds foster, maintain and promote men's physical and

mental health and wellbeing. For many they have become a second home. The shed was a collaboration of the Rotary Club of Cockburn, dedicated volunteers, Lotterywest and the City.

Our annual Community Scorecard survey demonstrated that safety and security is still a concern for the community. The City continued to roll out CCTV to reflect its continued commitment to improving security throughout Cockburn. We now have around 500 cameras across Cockburn and a new five-year strategy prioritising further rollouts. The City's CCTV camera footage has assisted the police in numerous apprehensions and arrests.

I am regularly asked what is happening to the old South Fremantle Power Station. It is apparent that LandCorp and Synergy have been waiting to completely redevelop the building and move the switch station, which are both very costly exercises and are unlikely to happen for many years. With a view to seeing some

activity happen sooner rather than later, Council voted unanimously in February to request LandCorp and Synergy to investigate alternative reuse options for the South Fremantle Power Station as an interim measure for the building rather than wait until a more substantial redevelopment can take place – the City will continue to pursue this approach with Synergy.

Council adopted the updated Housing Affordability and Diversity Strategy, which details actions to remove housing supply barriers and promote key housing needs. One such action was the City negotiating for the long term development of aged care accommodation in Coolbellup to meet the severe shortage of affordable aged care in Cockburn and to provide the opportunity for people to be able to age in their local area wherever possible.

Council was pleased to endorse a new five year Disability Access and Inclusion Plan which commits to building an accessible and inclusive community for all residents, visitors



and investors. We have made great progress in this area and will continue to do our best to ensure that not only our events and buildings are accessible but that our technology such as our website and other systems are accessible too.

The City's third Reconciliation Action Plan was also adopted by Council this year. The aim is to turn good intentions into measurable actions that help Aboriginal and Torres Strait Islander people achieve equality in all aspects of life. Actions include establishing an Aboriginal Cultural and Visitors Centre, developing a policy to increase Aboriginal employment at the City, providing Aboriginal cultural learning activities for City staff and Elected Members, and consideration of dual signage and naming of locations with an Aboriginal name.

A new venture this year was the three day 'Coogee Live' festival, a celebration of the family-friendly lifestyle Cockburn has to offer with intriguing works of art, interactive

activities, community group information sessions and various performers spread along our idyllic coastline.

The City received six delegates from our sister city Yueyang in China. The delegates enjoyed the opportunity to visit the award-winning Health and Community facility, new police station in Cockburn Central, as well as Port Coogee, which were among the local sites we toured. Sister city relationships help our City seek a wider understanding of other nations, their traditions, customs, education and cultures, and to promote to other nations the traditions, customs, education and cultures of Australia. Importantly, these relationships foster international peace and goodwill.

Spearwood Library underwent a significant makeover which has really re-invigorated the library space. Already a firm favourite with the community, the library is more inviting than ever. I unveiled a new Sports Hall of Fame at Cockburn ARC in 2017 to which we added two

new inductees - 1993 World Grand Prix Motocross Australia competitor Matt Battista and World Champion table tennis competitor and long-time WA and Australian Veterans Captain Gordon Lee.

We celebrated the completion of the new Yangebup bicycle pump track with a great event. The track was the result of a request from the Yangebup Progress Association to establish a 150m bicycle pump track at Perena Rocchi Reserve. A similar track was built in South Lake with the support of the Connecting South Lake resident group. Both projects were made possible with funding from the State Government.

Logan Howlett

Logan K Howlett, JP
Mayor

Report of the Chief Executive Officer

Right: Lighthouse
Award (see page 19)
Opposite: The site of
the future North Lake
Road Bridge



The City of Cockburn population forecast for 2018 is 118,100, and is forecast to grow to 167,751 by 2036¹. As our City continues to increase the need for new infrastructure grows too. Each year, the City upgrades and builds a significant amount of new parks, roads, cycle paths and other community facilities.

In the last financial year, the City had assets valued at \$1.3 billion replacement cost. It is critical that the City has a robust strategy to ensure that the funds are available to maintain these assets as required. To that end, last year Council adopted a six year Asset Management Strategy to implement and integrate best practice asset management planning, systems and processes into the City's operations.

While drainage management largely goes unseen, a comprehensive plan is required to manage storm water, prevent the pollution of waterways and to provide open space that preserves important ecosystems. The City updated its ten-year Drainage

Management Strategy to ensure that these systems meet the infrastructure needs of a growing City.

Cockburn ARC, the City's new recreation facility in Cockburn Central West saw the one millionth visitor pass through its door in February 2018, ten months after opening. The success of the centre has seen it win a swag of awards (see pages 18-19) as well as undertaking an expansion of the gymnasium to cater for increased demand.

We continued to roll out the three bin system across the City. The new 240L garden waste bins have now been rolled out to 14,700 properties and will be rolled out to more than 29,000 homes in the City by October 2019. The City recently commissioned a green waste decontamination plant to remove contaminants from the garden waste collected in the lime green-lidded bins. This is the start of the City's push to transform local household garden waste into saleable, high quality mulch that will

help fund more projects, services and infrastructure in the community.

Our annual Community Scorecard survey demonstrated that traffic remains the number one priority issue for residents and businesses. To address this, the City continues to prioritise investments in its road programs and advocate for improvements to public transport. The majority of traffic issues are around the Cockburn Central/Armada Road area, and it is pleasing to report that work commenced last year on the duplication of Armada Road. This work is a big win for Cockburn's residential and business communities, as well as those in the City of Armadale. Upgrades are critical given the growth and projected growth of residential and commercial properties in both cities. This project will provide safer motoring for the 27,000 vehicles that use Armada Road each day between Tapper and Anstey roads. It will support more than 850 direct and indirect jobs and is due for completion in late 2019.



Community engagement, land requirements and concept designs are underway for the Armadale Road to North Lake Road Bridge, a project being funded by the Commonwealth and State Governments. This comprises construction of a bridge over the Kwinana Freeway connecting Armadale Road to North Lake Road. This project will help address significant congestion in the Cockburn Central area resulting from the growth of Cockburn Gateway Shopping City, surrounding commercial, retail and residential development and the area's proximity to Cockburn Central Station and the Kwinana Freeway. The funding for both the bridge and the duplication were the result of three highly visible electoral campaigns run by the Cities of Cockburn and Armadale, two years ago, under the banner of 'Community Connect South'.

The State Government has also begun work to extend the Thornlie train line to Cockburn under its Metronet program which will further improve public transport access for residents by 2021.

Many road projects were completed last year. Works also started on the duplication of Spearwood Avenue, between Barrington Street and Beeliar Drive, in Yangebup. These works, due for completion by December 2019, will improve safety and congestion in the area.

On the coast, LandCorp's Shoreline precinct is taking shape, with more homes under construction in an area that will be home to 10,000 people over the coming two decades.

A draft Community Sport and Recreation Facilities Plan has been developed after extensive community consultation. The plan, which covers a period until 2033, will go to Council at the end of 2018. The City aims to expand and develop a range of recreation, community, cultural and sporting facilities, with an estimated value of over \$200m, in the next 15 years.

In the City of Cockburn's Strategic Community Plan, *'the pace of innovation and cost of new technology'*

has been identified as a key challenge for the City. And while it is a big challenge, technology offers many opportunities to improve efficiencies, to improve the customer experience and to best utilise data to maximise asset efficiencies and reduce consumption. Digitisation is, and will remain, a big focus for the City for many years to come.

I look forward to another year of activity as we strive to make the City the most attractive place to live, work, visit and invest in, within the Perth metropolitan area.

Stephen Cain
Chief Executive Officer

¹ Source: .id

Demographic Data

2016

111,787*
Population

*annual resident population
Source: .id



35 years-old
Median age



50%
Of all families were couples with children



46.4%
Households with mortgage



25%
Households renting



14.7%
Of all residents attending education 14.7% were attending University



\$1,756
Median weekly household income



\$380
Median weekly rent

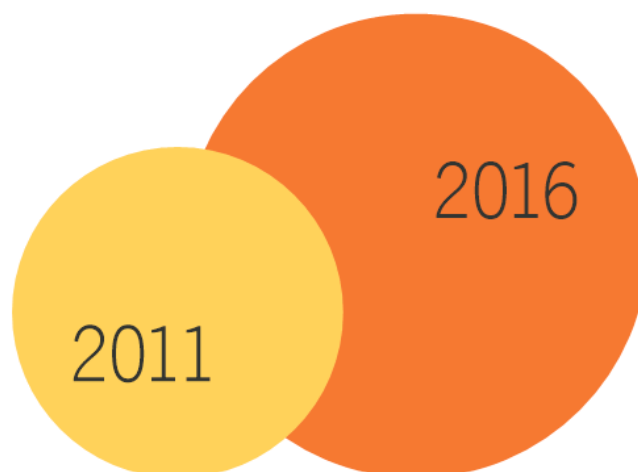


6.67 persons by hectare
Population density



City of Cockburn Population 2016

Population Change by Age from 2011 to 2016



+795

Babies and pre-schoolers
(0 to 4)

2016 7,581

+1,390

Primary schoolers
(5 to 11)

2016 8,316

+330

Secondary schoolers
(12 to 17)

2016 7,087

+682

Tertiary education and
independence (18 to 24)

2016 9,316

+2,701

Young workforce
(25 to 34)

2016 16,800

+3,036

Parents and homebuilders
(35 to 49)

2016 23,959

+2,080

Older workers and pre-
retirees (50 to 59)

2016 12,585

+1,931

Empty nesters and
retirees (60 to 69)

2016 9,121

+1,354

Seniors (70 to 84)

2016 6,552

+485

Elderly (85 and over)

2016 1,430

+14,784

Total population change

2016 111,787

Source: .id

Cultural Diversity in Cockburn



Right: Ahmadiyya Muslim children at community event
Opposite: Aboriginal performers at the Coogee Live community event

Diversity statistics in Cockburn from the 2016 Census

Australian Census 2016 results show that the City of Cockburn is becoming more culturally diverse. Overall, 34.1% of the population was born overseas.

The most common ancestries



The most common countries of birth





The common languages other than English spoken at home

In 2016, 21.4% of residents spoke a language other than English at home, again above the average for Western Australia (19%).

你好	<i>Ciao!</i>	<i>Zdravo</i>	<i>Olá</i>	<i>Kamusta</i>
3%	2%	1%	1%	1%
Mandarin	Italian	Croatian	Portuguese	Tagalog

The most common responses for religion

32%	29%	11.5%	9%	3%
No Religion	Catholic	Anglican	Not Stated	Christian

The City of Cockburn recognises that our community is enriched by many people, from many cultures and as a result created a full time Cultural Diversity Officer position in July 2017. This permanent position caters for multicultural issues and needs in Cockburn to ensure the City is inclusive and welcoming.

Achievement of Community Objectives

Strategic Community Plan

The City's Strategic Community Plan 2016-2026 sets the strategic direction for the organisation. A formal review of the plan including community consultation is undertaken every four years while it is also considered internally every two years. The Corporate Business Plan 2016-2020 maps key priorities, projects, services and actions.

The Strategic Community Plan has five key community objectives:

1. **City Growth**
2. **Moving Around**
3. **Community, Lifestyle and Security**
4. **Economic, Social and Environmental Responsibility**
5. **Leading and Listening.**

The City measures its achievements of these plans by using a number of methods. Following are the key highlights from 2017-18, with the majority of the City's achievements documented throughout this report.

Other measures that demonstrate the City's progress towards the achievement of the objectives outlined in the Strategic Community Plan include:

Community Scorecard results, customer satisfaction survey results, awards, visitors, jobs and labour statistics, community engagement, the State of Sustainability Report and the Internal Audit Report. These are reported here, together with a brief overview of the year ahead and a snapshot of key Corporate Business Plan initiatives.

Highlights From the Year



1. City Growth

Planning for the City's population growth while maintaining our strong financial position

- Developed a 10-year Drainage Management Strategy and Asset Management Plan to manage storm water, prevent pollution of waterways and provide open space that preserves important ecosystems
- Reviewed and updated the Housing Affordability and Diversity Strategy to remove housing supply barriers and promote key housing needs
- Commenced community consultation for the Yangebup Revitalisation Strategy
- Commenced negotiating for the long term development of aged care accommodation in Coolbellup to meet the shortage of affordable aged care in Cockburn's western suburbs.



2. Moving Around

Facilitating safe, efficient, connected and sustainable movement around the City

- Participated in the Westport Local Government Reference Group to ensure regional freight movement has a sound outcome
- Completed Hammond Road/Russell Road/Frankland Road roundabout
- The duplication of Spearwood Avenue continued
- Berrigan Drive/Jandakot Road intersection upgrade.



3. Community, Lifestyle and Security

Providing safe, attractive, healthy programs and infrastructure for a diverse range of activity and people

- Celebrated Cockburn ARC's first birthday with over one million visits in the first year
- Developed a five-year Community Safety and CCTV Strategy and action plan to reflect the City's commitment to improving security throughout Cockburn
- Successfully rolled out in-vehicle mounted tablets in CoSafe cars. These improve information capture while providing accessible information about safety-related issues in the community for staff
- Commenced planning for the increase in boat/mooring pens at Port Coogee Marina
- Developed the draft Western Suburbs Sporting Precinct Study following extensive community consultation
- Constructed and opened the Men's Shed in Cockburn Central and the Yangebup and South Lake pump tracks.



4. Economic, Social and Environmental Responsibility

Enabling a sustainable future economically, socially and environmentally including business activity, job opportunities and sustainable use of resources

- Developed a five-year Sustainability Strategy to define and provide guiding policy principles to embed sustainability in decision making
- Developed a five-year Disability Access and Inclusion Plan which commits to providing an accessible and inclusive community for all residents, visitors and investors
- Developed the City's third Reconciliation Action Plan to provide measurable actions that help Aboriginal and Torres Strait Islander people achieve equality in all aspects of life
- The new 240L garden waste bins have now been rolled out to 14,700 properties and will be rolled out to more than 29,000 homes in the City by October 2019
- Identified a best option for transition to Energy from Waste (EfW) and conducted a successful tender for a waste supply agreement
- Completed construction of the Operations Centre upgrade Phase 1.



5. Leading and Listening

Being accountable to our community and engaging through multiple effective communication channels

- Developed a five-year Communication Strategy and Action Plan which has a focus on giving Cockburn residents and stakeholders all hours access to the City's information services and digitising communication processes
- Developed a six-year Asset Management Strategy to implement and integrate best practice asset management planning, systems and processes into the City's operations
- Undertook more than 100 community engagement projects
- Undertook a community engagement review
- Business continuity program exercise review commenced.

Community Scorecard Results 2018

The City annually measures residents' perceptions of the City's services, infrastructure and facilities to gauge satisfaction levels. This year's independent survey was undertaken by Catalyse using a representative sample of residents.

These measurements relate back to the City's key objectives which are outlined on page 14 and covered in more detail in the City's Strategic Community Plan.

Results from the Community Scorecard – 2018

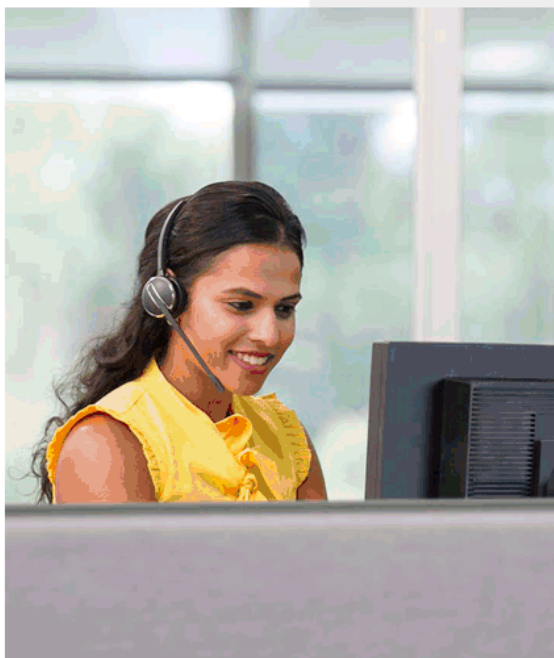
Overall performance	Performance Index Score*
The City as a governing organisation	70
Sport and recreation facilities	76
Enjoy living in the City of Cockburn	79
Maintenance of local roads	62
Customer service	68
Preservation and promotion of local history and heritage	66
Management of the environment	67
Safety and security	61
Mobile security patrols	60
Access to housing that meets community needs	67
Promotion and adoption of sustainable practices	68
Community buildings, halls and toilets	67
Streetscapes	59
Footpath and cycleways	60
Development of their local area	60
Traffic management	54
Feel included and connected to the community	64

% of population who agree	Agreement Index Score*
The City has developed and communicated a clear vision	57
The City has a good understanding of the community's needs	62

* The Performance Index Score is not a percentage score. It is calculated by taking into account the entire scale from strongly disagree to strongly agree. The Agreement Index Score is explained as a score out of 100 using the formula $(\text{average score} - 1) \div 4 \times 100$.

Customer Satisfaction Results

The City undertakes independent customer satisfaction surveys across a number of service units each year. The percentage of satisfied customers is reported throughout this report, under the relevant service unit. The percentage relates to the number of customers who scored the service six or more out of 10. The surveys were conducted by Research Solutions.



Top: Cockburn ARC

Above: Coogee Live

Left: The City is committed to providing the very best customer service

Institute of Public Administration
Australia WA Award June 2018 –
Cockburn ARC Manager Brett McEwin,
Fremantle Football Club CEO Steve
Rosich, Mayor Logan Howlett, Curtin
University's Tom Kimmel



Awards and Achievements

Award or Agency	Place and Category
Australasian Leisure Management	Winner, Local Government Award - Cockburn ARC
Australian Sport, Recreation and Play Innovation Awards	Winner, Facility Design and Development – Cockburn ARC
Cycling Luminaries Awards, Cycling Promotion Fund	Finalist, Bike Culture and Behaviour Change for Frocks on Bikes Perth – Jillian Woolmer
Department of Transport	Winner, Award for Excellence in Marine Safety - Cockburn Sea Search and Rescue Group
Department of Fire and Emergency Services, Volunteer Employer Recognition Awards	Gold Award Status, recognition of the delivery of emergency services in Western Australia
Department of Local Government, Sport and Cultural Industries	Winner, Places and Spaces: Planning and Design Award – Cockburn ARC
Department of Mines, Industry Regulation and Safety	Winner, Best initiative to encourage worker engagement in safety and health – Awarded for the City's Zero Harm 'Three Courage's' initiative
Department of Planning, Lands and Heritage	Special Commendation, Local Government Award – Coogee Maritime Trail
Department of Planning, Lands and Heritage	Winner, Coastal Planning Award - Cockburn Sound Coastal Alliance for the Cockburn Sound Coastal Vulnerability and Flexible Adaptation Pathways project
Healthier Workplace WA	Gold Certificate, Healthy Workplace
Heart Foundation	State Winner, Councils with populations greater than 50,000
Human Resources Director Magazine	Top Performing Company - Health & Wellbeing, 2018 HRD Employer of Choice
Institute of Public Administration Australia (IPAA) WA	Gold Award Winner, Best Practice in Collaboration Between Government and Non-Government Organisations – For the development of a Multipurpose Shared Sport and Recreation Facility – Cockburn ARC (in conjunction with Fremantle Football Club and Curtin University)
National Awards for Local Government	Highly Commended, Disability Access & Inclusion



Awarded the 2017 Worksafe Award for Best Initiative to Encourage Worker Engagement in Safety and 2018 Employer of Choice Award for Best Health and Wellbeing program

Award or Agency	Place and Category
National Disability Services & Local Government Professionals (Lighthouse Award)	Winner, CEO Leadership (Metropolitan and Regional) - Stephen Cain
Neighbourhood Watch	Gold, Local Government Participation Awards
Parks & Leisure Australia (WA)	State Winner, Community Facility of the Year Award, Cockburn ARC
Public Health Advocacy Institute of WA	Commendation, Smoke Free Environments
Public Health Advocacy Institute of WA	Commendation, Nature Play
Public Health Advocacy Institute of WA	Winner, Shade in Public Spaces
Royal Life Saving National Aquatic Industry Awards	Excellence in Facility Management - Cockburn ARC
Royal Life Saving National Aquatic Industry Awards	Safety Awards - Most outstanding contribution by a facility - Cockburn ARC
Stormwater Western Australia	Award for Excellence - Excellence in Infrastructure
Synergy Financial Counsellor Award for Excellence	Winner, Financial Counsellor of the Year - Colleen Crowley
Urban Development Institute of Australia (WA)	Finalist, Urban Water Excellence - Calleya (entered by Stockland)
Urban Development Institute of Australia (WA)	Winner, Residential Development Under 250 Lots - The Playground at Coolbellup - entered by Lendlease and LandCorp
Urban Development Institute of Australia (WA)	Finalist, Masterplanned Development - Port Coogee (entered by Frasers Property Australia)
WA Local Government Convention	Eminent Service - Mayor Logan Howlett JP
WA Local Government Convention	Local Government Merit - Deputy Mayor Carol Reeve-Fowkes
Water Corporation	Gold Waterwise Council Status - Environmental Services
Western Australian Disability Enterprises	Certificate of Appreciation, Embracing Social Value
Western Australian Information Technology and Telecommunication Awards (WAITTA)	Finalist, Most Effective Government Solution (website)
Your Move, Department of Transport	Platinum Workplace Accreditation

Community Engagement

The City undertakes community engagement throughout the year to seek feedback on various initiatives and to inform the community of its priorities.

The City's focus is to inform, consult and provide opportunities for active participation in City projects and activities.

The City uses workshops, direct mail, newspaper advertisements, Facebook, Twitter, the City's website and Comment on Cockburn (an online engagement website) to seek feedback.

Over the past 12 months, the City has attracted community input from Comment on Cockburn on:

- 105 engagement projects
- 42,600 visits to the site
- 3,554 registered participants
- 1,900 survey responses.

Major engagement was undertaken last year for the following:

The following are grouped under the most relevant theme from the Strategic Community Plan.

City Growth

Jandakot planning: Input into Perth and Peel @ 3.5m

Planning applications, Structure Plan and Scheme amendments

Have your say – Local Profile Papers for new Local Planning Strategy and Scheme.

Moving Around

Bike and Walk Cockburn forum

Fawcett Road traffic calming

Harvest Lakes traffic management

Traffic improvements for Berrigan Drive, Ocean Road, Swallow Drive and Spearwood Avenue

Ocean Road Coogee - Speed humps proposed

Parking - where are the hot spots?

Parking/traffic around Aubin Grove Train Station

Rockingham Road changes, including a bikeway

Traffic changes on Rigby Avenue, Spearwood Avenue, Brushfoot Boulevard and Jandakot Road.

Community, Lifestyle and Security

Animal Management - dogs and cats

Concept Plan for Skate Park and Recreation Precinct, Bibra Lake

Cockburn Support Services

Coogee Live - proposed event

Dog obedience training

Fenced Dog Parks - Aubin Grove and South Lake

Draft Community, Sport and Recreation Facilities Plan

Hamilton Hill Community Hub

How do you rate your local area?

Cockburn Libraries

Manning Park Master Plan August 2017

Our multicultural community

Park and playground upgrades including Jarvis Park, Dalmatia Park and Dixon Park

Pump tracks - South Lake and Yangebup

Reconciliation Action Plan

Seniors Centre surveys

Sporting Club summer and winter surveys.

Economic, Social and Environmental Responsibility

No fishing near Omeo Wreck dive trail

Peace Lane Waste Collection Service

Roe 8 draft Rehabilitation Plan.

Leading and Listening

Local Government Act Review

Local Government Elections 2017

City of Cockburn budget

City of Cockburn review of wards and representation

Reviews of the City's communication channels

City of Cockburn website

Community Engagement Review.



Top: Cockburn ARC's first birthday
 Above: Success Library
 Right: Cockburn Care

State of Sustainability

The City of Cockburn's eighth annual State of Sustainability Report is a snapshot of the City's collective efforts in working towards a sustainable future for the 2017-18 financial year.

The City had 76 indicators for sustainability across the organisation along with a number of high-level targets across five key sustainability areas including water conservation, waste minimisation, energy and emissions reduction, biodiversity and liveability. Over 90% of the key performance indicators were in progress or achieved during 2017-18 reflecting the City's commitment to pursuing sustainability excellence.

Below is a snapshot of the City's sustainability highlights for 2017-18.

Sustainability Highlights

Endorsed as a Gold Waterwise Council

Launched a suite of online systems for field staff to improve efficiencies and significantly reduce paper usage

Rehabilitated 4.2 hectares of bushland

Delivered over 60 sustainability related events to the community

Continued the roll-out of over 14,500 garden waste bins

Maintained a Zero Emissions Fleet via the carbon offset program

Awarded 14 Sustainability Grants to enhance sustainability outcomes in the community

Installed a 30 kW Solar PV system on the Cockburn Bowling and Recreation Facility



Governance - 18 KPIs

5% not started
67% in progress
28% complete

Governance is the cornerstone of the City's approach to sustainability. It enables the City to listen to and guide its residents and ratepayers in building a sustainable future.



Environment - 31 KPIs

10% not started
58% in progress
32% complete

The environment is the foundation for sustainability in the City of Cockburn. Our natural areas and resources must be sustainably managed now and in the future.



Opened the Cockburn Men's Shed

Switched on the Geothermal System at the Cockburn Aquatic and Recreation Centre (ARC) and won many awards for design excellence, innovation and best practice in collaboration

Constructed over 10,000m² of new pathways and cycle ways to facilitate sustainable transport

Appointed a Cultural Diversity Officer and adopted the City's third Reconciliation Action Plan (RAP) 2017-2020

Celebrated the City's 20th Anniversary of sister city relationship with Split, Croatia and YueYang, China

Included red poppy symbols on more than 100 selected street signs to honour those involved in war or peace-keeping efforts

Became the first local government to develop a website that facilitates digital accessibility for people with a disability

Delivered 10 Community Development training sessions to strengthen and support community groups within the City

Received the Lighthouse Project metropolitan local government leadership award for providing employment for people with disability

Awarded several new contracts to both disability and indigenous enterprises

Launched 'Cockburn Creates' to provide opportunities for residents to nominate project ideas and vote on allocation of funding.



Society - 18 KPIs

11% not started

72% in progress

17% complete

Society is at the heart of sustainability in Cockburn. Our people, from our residents, ratepayers, volunteers and businesses, to schools, visitors and employees, are the driving force behind the way we develop, now and into the future.



Economy - 9 KPIs

11% not started

89% in progress

A viable economy underpins the sustainable development of the City and must be resilient in the face of uncertainty and risk. The City's economy is directly integrated with its society and environment.

The Year Ahead – 2018-19

Below are examples of major projects and services as detailed in the Corporate Business Plan 2016-2020.

Project	\$M
Roads including Spearwood Avenue bridge and road duplication, Jandakot Road duplication and upgrades	24*
Construct Wetlands Education Centre Precinct Facilities and Hockey Facility and Clubrooms	4
Parks – new and upgrades	7
Complete operation centre upgrades	2
Cycle paths and footpaths	1.2
Community grants and donations	1.4
Free community events	0.7
Street tree planting	0.45

*Includes State and Federal Government funding

Major Strategies, Plans and Studies

Following is a snapshot of major activities planned for 2018-19. They are grouped under the most relevant theme from the Strategic Community Plan.



1. City Growth

Prepare the new Local Planning Strategy and Scheme for the district

Finalise the Yangebup Revitalisation Strategy

Implement the Phoenix Activity Centre Plan

Implement the Cockburn Central Activity Centre Plan.



2. Moving Around

Review and update the Integrated Transport Plan, incorporating the Road Safety Strategy and Travel Smart Plan

Complete Karel Avenue widening, Jandakot Road widening and Verde Drive extension

Complete Spearwood Avenue widening including bridge

Review and update the Regional and Major Roadworks 2019–2031 road program

Review current parking approaches and create the City-wide Parking Strategy.



3. Community, Lifestyle and Security

Finalise the Community, Sport and Recreation Facilities Plan

Prepare for the replacement of all existing regulations under the Health Act including those relating to public buildings and asbestos

Complete the construction of the hockey and sporting facilities on Lakelands Reserve

Undertake design process for the development of Frankland Park

Install CCTV at priority locations

Develop a concept plan and consultation for the Aboriginal Cultural and Visitors Centre

Undertake a feasibility study for a proposed Hamilton Hill Community Centre

Undertake a concept and detailed design for Treeby (Calleya) Community Centre and Sporting Club rooms

Review the Community Engagement Policy and Framework.



4. Economic, Social and Environmental Responsibility

Review and update the Economic Development Directions Strategy 2014

Review and update the Local Commercial and Activity Centres Strategy 2011

Develop the City's Community Emergency Risk Management Plan

Construct the Jandakot Volunteer Bushfire Brigade building in Banjup

Review and implement the Greenhouse Gas Emissions Reduction Plan

Oversee implementation of the Roe 8 Rehabilitation Management Plan

Revegetate a minimum of 2.5 hectares of bushland within selected conservation areas, with more than 50,000 plants

Continue implementation of the Integrated Midge Control Strategy

Develop and implement the City's Environmental Educational Programs including Schools Grant Program, Adopt a Beach, Turtle Watch, World Environment Day and Environmental Education for Schools

Classify open space using remote sensing techniques in order to improve tree canopy cover in the City.



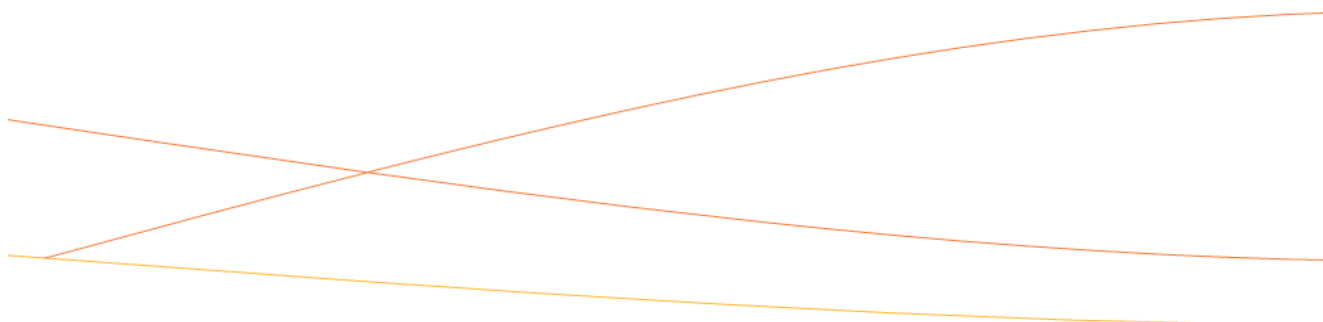
5. Leading and Listening

Develop a Digital Strategy

Revise asset management plans for fleet and plant, roads, footpaths, buildings, drainage, parks and environment and maritime and coastal assets for the period 2017-20.

Develop location based business continuity plans

Business process review and implementation for ongoing transition to Ci Anywhere, focussing on customer requests.



Rates Allocation

The City uses rates to fund a range of services, with the following (percentage of total spend) allocated for 2018-19





Waste collection and disposal 17%



Park infrastructure and streetscapes 14%



Recreation, sport & leisure 13%

Organisational Structure



Remuneration of Senior Employees

Annual Salary of Senior Employees

Annual Salary Range (\$)	No. of Employees	Annual Salary Range (\$)	No. of Employees
100,000 - 109,999	44	190,000 - 199,999	2
110,000 - 119,999	31	200,000 - 209,999	2
120,000 - 129,999	16	210,000 - 219,999	0
130,000 - 139,999	3	220,000 - 229,999	0
140,000 - 149,999	4	230,000 - 239,999	1
150,000 - 159,999	1	250,000 - 259,999	1
160,000 - 169,999	2	270,000 - 279,999	2
170,000 - 179,999	2	370,000 - 379,999	1
180,000 - 189,999	5		

The above amounts include salary, super, motor vehicle allowances and performance payments. In five cases, senior employees have a motor vehicle provided and do not take a motor vehicle allowance. This equates to \$17,000 (two employees), \$20,300 (two employees), \$22,650 (one employee) and this is not included in the above figures.



Staff at the Operations Centre, Wellard Street

Governance & Community Services Directorate

The aim of the Governance & Community Services directorate is to improve residents' quality of life and to ensure good governance. The directorate is responsible for providing community safety and development initiatives, events, ranger services, recreation and community development and services, as well as communications including the operation of the customer contact centre.

HIGHLIGHTS

75,000

Number of jobs Cockburn Safety and Security Service (CoSafe) attended

1.4 million

Attendances at Cockburn ARC

10,116

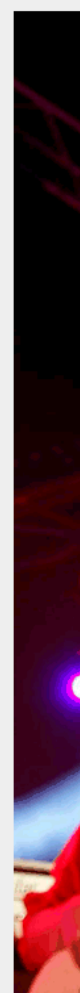
Number of jobs attended by rangers

32,350

Customer service requests raised

617,262

Items issued by Cockburn libraries





Top: Rangers

Above: Some Like it Yacht perform at community concert

GOVERNANCE

Compliance

The City's 2017 Compliance Audit Return indicated a conformity rating of 100%. The annual audit is a requirement of the Department of Local Government.

The City utilises an online compliance management system for statutory forms such as financial disclosures, gifts, travel contributions and delegated authorities.

Legislative Review

During 2017-18, the City reviewed its Local Laws relating to Standing Orders in accordance with section 3.16 of the Local Government Act 1995. It also reviewed other amendments to the Consolidated Local Laws.

Under *clause 5: Statement of the Competition Principles Agreement*, local governments must review their Local Laws to ensure they do not unnecessarily restrict competition unless it can be demonstrated that the benefits of the restriction outweigh the costs to the community and the objective of the law can only be achieved through such a restriction. The City of Cockburn has completed a review of its Local Laws to ensure compliance with the National Competition Policy.

Freedom of Information

The Freedom of Information (FOI) Act 1992 gives members of the public the right to access documents held by local governments, subject to limitations. The City of Cockburn prepared, as required by section 96 of the FOI Act, an up-to-date information statement and made it available to the public. The City of Cockburn had 30 FOI requests in 2017-18.

Public Interest Disclosure

The Public Interest Disclosure (PID) Act 2003 promotes accountability within state and local government agencies and organisations by facilitating the disclosure of public interest information involving misconduct, offences and misuse of public resources or risks to public health or safety. The Act aims to protect informers who make public interest disclosures. Since the last published report, the City has had no disclosures under the PID Act.

National Competition Policy

In 2007, all Australian governments recommitted to the Competition Principles Agreement (CPA), (11 April 1995). The CPA is an inter-governmental agreement between the Commonwealth and State/Territory Governments that sets out how governments will apply National Competition Policy Principles to public sector organisations within their jurisdiction. The National Competition Policy itself concluded in 2005-06 and has been succeeded by Australia's National Reform Agenda which is an addition to, and continuation of, the National Competition Policy reforms.

The Competition Principles Agreement (as amended 13 April 2007) sets out nominated principles from the agreement that now applies to local government. The provisions of clause 5 within the CPA require local government to report annually on the implementation, application and effects of Competition Policy. Competition Policy does not require contracting out or competitive tendering. It does not preclude local government from continuing to subsidise its significant business activities from general revenue, nor does it require privatisation of government functions. It does require local governments to identify their significant business activities and apply competitive disciplines to those businesses which compete with the private sector.

A number of the City's services are exempt from the Competition Policy, as it applies only to business activities that generate income in excess of \$200,000 from fee revenue that is directly generated from external users and an operating expenditure greater than \$2 million. Activities undertaken by the City which have previously been considered for market testing, owing to the competitive nature of the service, include:

- Domestic waste collection
- Waste disposal business
- Cockburn ARC (leisure centre).

The City has resolved to retain the in-house provision of Cockburn ARC, domestic waste collection and waste disposal business.

Complaints of Breach

No official complaints have resulted in action pursuant to Section, 5.121 of the Local Government Act during the year and accordingly no details are required to be entered into the complaints register established for this purpose.



Risk Management

Over the past 12 months, the City continued to embed its Risk Management Program, identifying, assessing, monitoring and reviewing risks within the internal and external environment.

✓ Achievements

Chief Executive Officer Biennial Review for Risk, Legislative Compliance & Internal Controls

Business continuity program exercise review commenced

Continual strategic and risk reporting and monitoring.

LIBRARY SERVICES

Imagine Connect Grow

A welcoming place to connect people to ideas, inspiration, learning and community.

✓ Achievements

Customer service rating (see page 16 for details): 95.1%.

The Library Service has been officially accredited as eSmart by the Alannah & Madeline Foundation and the Telstra Foundation acknowledging the library as equipped to support the community to use technology in a smart, safe and responsible way

Spearwood Library has been refurbished to meet the future expectations of the community

Annual library visits decreased by five per cent to 380,000*

The number of items issued decreased by three per cent to 617,262*

Quiet reading rooms have been created at both Success and Spearwood Libraries in response to customer feedback

Annual attendances to library events and services increased by 0.3 per cent to 25,398

Better Beginnings Early Literacy Kits were distributed to 2,967 children through 21 schools, six Child Health Clinics and library outreach

*It is likely that the closure of Spearwood Library for five weeks for the refurbishment impacted the annual visits and issues statistics for this year.

RECREATION AND COMMUNITY SAFETY BUSINESS UNIT

Ranger & Community Safety Services

Ranger & Community Safety Services work to improve the safety and security of the City's residents and visitors. This is done by proactively educating residents on community safety, implementing mitigation strategies and applying local and state laws.

Ranger Services

✓ Achievements

Commenced community dog obedience training

Ranger Services improved productivity this year through better utilisation of the vehicle fleet with improved animal transport capability and the introduction of mobile devices for rangers to improve response times to jobs

The rangers attended 9,991 jobs during the year, with dog (2,649) and parking-related (2,414) matters the most significant portion of the workload

During the year, the City rangers attended 1,328 dog wandering and dog pick-up requests:

- 308 dogs were released to owners
- 43 dogs were sent to rescue and rehoming
- 4 dogs were euthanised (on medical grounds)
- 437 cats were captured of which
 - 31 were released to owners
 - 406 were sent to rescue and rehoming.

Community Safety Service

Cockburn Community Security & Safety Service (CoSafe) patrol on a 24-hour seven day a week basis. CoSafe reports on suspicious activities and anti-social behaviour, and monitors areas where criminal activity has recently taken place.

✓ Achievements

Attended over 75,000 individual tasks with an average response time of eight minutes for community initiated patrols

Installed CCTV at:

- Ngarkal Beach
- Yarra Vista Dog Park
- Yandi Park (Cockburn Central)
- CoSafe and ranger vehicles

Maintained and managed 500 CCTV cameras across the City

Emergency Services

The City's Fire & Emergency Management Service Unit continued to promote preparedness and disaster recovery to the community.

✓ Achievements

Commenced construction on the new Jandakot Volunteer Bushfire Brigade building

Planned autumn hazard reduction burns throughout the City

Completed the City's Local Emergency Management arrangements

Worked with key state agencies to finalise the City wide Community Emergency Risk Management Plan

Provided ongoing support to the City's Local Emergency Management Committee and Bushfire Advisory Reference Group

Continued to work in partnership with the CSIRO in completing a City wide bushfire risk management mapping solution.

Recreation Services

Provide and facilitate a range of sport, recreation and leisure opportunities for residents of the City.

✓ Achievements

Customer service ratings (see page 16):

Facility booking and management services: 89.6%

Management of facilities: 89.6%

Sports field hire and facility booking service: 94.2%.

Recreation Future Planning

In 2017-18, the City progressed a comprehensive community facilities planning process to guide the development of community, sport and recreational facilities over the next 15 years.

The City made significant progress in the development of the Western Suburbs Sporting Precinct Study which has investigated the development of seven different sport and recreation reserves within the western suburbs of the City.

Club Development

✓ Achievements

The City continued to provide ongoing support through its club development initiative, 'Champion Clubs' which included a number of events and workshops including:

- Six workshops and events for local sporting club volunteers
- Contribution of \$18,000 to 18 clubs for sporting equipment and minor capital works projects
- KidSport - contributed \$154,349 vouchers towards 151 local sporting clubs
- Over 700 people participated in the Bibra Lake Fun Run
- The City's Junior Sport Travel Assistance Program helped fund 133 junior athletes to represent WA or Australia in their chosen sport at a national and/or international event, equating to over \$50,000 in grants.



Capital Works

The City progressed and completed a number of capital works projects to develop and upgrade the City's sport and recreation facilities and reserves, particularly, the \$9.6 million Cockburn Bowling and Recreation Facility. A number of other projects also commenced and are expected to be completed over the course of the next 12 months. These include Lakelands Hockey and Community Facility, Calleya Reserve development and Botany Park floodlighting project.

Cockburn Aquatic & Recreation Centre (Cockburn ARC)

✓ Achievements

Cockburn ARC recorded nearly 1.4 million visitors, 45% more than projected. Key programs at Cockburn ARC have continued to grow since the official opening, with all programs exceeding year four operational targets in the first 12 months

Cockburn ARC's income has been strong throughout the year as a result of high participation in most activities and programs. The facility recorded an operating surplus (excluding depreciation) and has exceeded year four financial projection targets during year one of operating

In partnership with Curtin University, Cockburn ARC has provided educational placements for 20 students studying sports science and provided health intervention programs for more than 50 participants

The partnership between the City and Fremantle Football Club (FFC) has continued to provide mutual benefits

Cockburn ARC has been nominated for several industry awards since official opening (see pages 18-19).

COMMUNITY DEVELOPMENT AND SERVICES

Child Care Services (CCS)

This service unit administers grants and fees for the operation of the Family Day Care (FDC) service and In-Home Childcare (IHC) service. The Child Care Services operate in compliance of legislation and focus on continual quality improvement. To support the child care legislative inclusion of sustainability, the services work in liaison with 'Little Green Steps' which shares office space within the CCS venue.

Family Day Care Service (FDC)

The City supports the selection, monitoring, advice and training provided to educators by qualified and experienced staff who support educators to provide quality early childhood education and care. Compliance of the Service Educator Membership Agreement, the National Quality Framework legislation, Early Years Learning Framework curriculum and National Standards is required.

✓ Achievements

Provided 350,000 hours of child care within the FDC service

The service operated with 65 FDC educators registered under the Service Educator Membership Agreement and its policies.

In-Home Child Care Service (IHC)

The IHC service enables a limited number of families to receive child care within the child's family home. The Commonwealth partially funds the service for families which meet strict Commonwealth criteria.

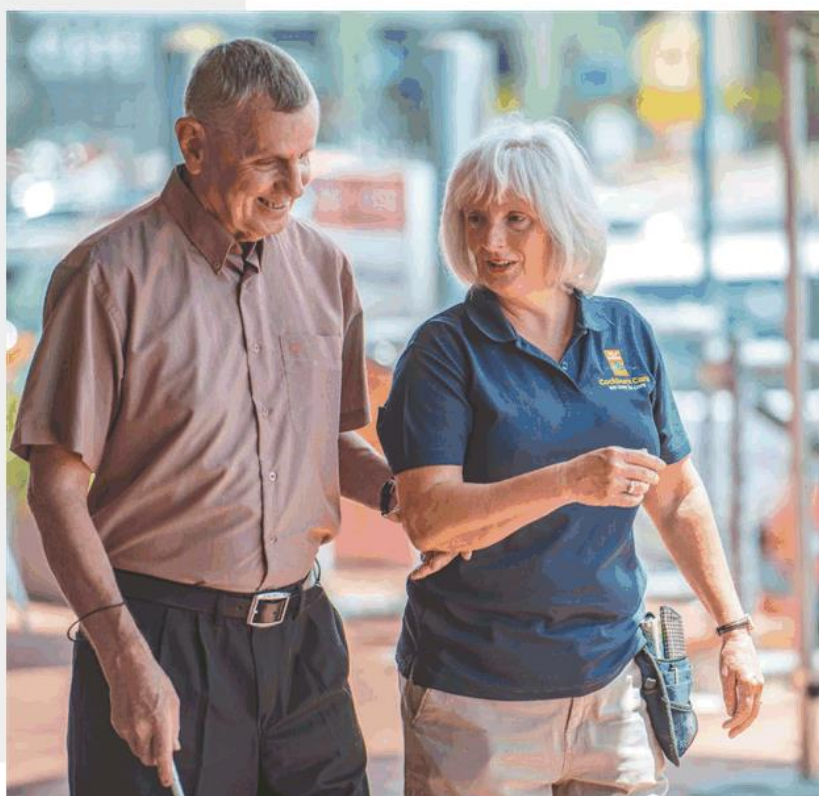
✓ Achievements

Provided 156,000 hours of child care within IHC service

The service operated with 40 IHC educators registered under the Service Educator Membership Agreement and its policies.



Top: Mayor Logan Howlett and
Cr Philip Eva with finishers of
the Bibra Lake Fun Run
Right: Cockburn Care





Cockburn Care (rebranded from) Cockburn Community Care

Administers grant and fee-funded frail aged and disability support services aimed at increasing wellbeing. Services include personal care, day centre programs, supported transport, home help services, home maintenance and social support. These services enable frail seniors and people with disability to remain living in the community.

✓ Achievements

Customer service rating (see page 16): 98%.

Provided a total of 42,730 hours of service and 5,418 transport trips.

Home Services

A variety of basic services are provided including help with cleaning, shopping, paying bills, social support, respite, personal care and transport. This service will transfer to the Commonwealth Home Support Program in 2018.

✓ Achievements

Provided 28,790 hours of client service

Provided 566 individual transport services from home.

Social Clubs

Social clubs provide a range of activities, refreshments and outings and also function as respite for carers. Programs are customised for seniors, younger people with disability and people with dementia. Transport is provided in specially equipped vehicles to allow easy access for people with physical disability.

✓ Achievements

Provided 22,632 hours of client services across three funding streams

Provided 5,923 transport services to and from the centre.

Home Care Packages

Home Care packages are individually funded to meet the needs of seniors with extensive and complex requirements including medication prompting. These seniors are eligible for residential care although they prefer to remain within their own homes.

✓ Achievements

Provided 4,973 hours of client services.

Kwobarup Aboriginal Club

This social club caters specifically for Aboriginal people and runs an art program, activities and outings.

✓ Achievements

Provided 3,716 hours of client services.

National Disability Insurance Scheme (NDIS)

NDIS (formerly WA NDIS My Way) is a funded service that provides individually-funded, customised services for people with disability. The City-run Cockburn Care transitioned out of home-based services and now only provides centre based social club services.

✓ Achievements

Provided 12,431 hours of client services.

Seniors Services

Seniors Services administer a range of City-funded services, programs, events and facilities aimed at providing and developing increased amenity, age-friendly and leisure opportunities for senior citizens.

This includes the provision of the Cockburn Seniors Centre programs, outings, events, meals and seniors community development activities including support to the ongoing management of the Cockburn Community Men's Shed.

Cockburn Seniors Centre

✓ Achievements

Customer service rating 98% (see page 16 for details)

1,105 members

Average 2,400 visits per month

Over 80 volunteers contributed more than 300 hours per week

More than 10,477 affordable healthy meals were prepared by the centre cook and volunteers

New projects commenced included German language beginners class, an additional Fit-for-Life Class, an art exhibition held during Seniors Week, writers club and clay art lessons

The Seniors Centre continues to work closely with and support the Cockburn Community Men's Shed.

Family & Community Development

This area administers grant and City funded services, programs, community development, community engagement and events aimed at increasing the capacity, activity and wellbeing of individuals and families.

Community Development

This service aims to build capacity in the community by working directly with community members, volunteers and not-for-profit and community groups. A range of services and resources are provided to not-for-profit groups to support and contribute to a community in which people feel a sense of belonging, connection and contribution.

✓ Achievements

Hosted the Celebrating Cockburn campaign which incorporated 'Neighbour Day'. Over 370 neighbours attended a range of events hosted by 35 households

42,600 visits were registered in the City's community engagement platform 'Comment on Cockburn' in the last year and 105 consultations were completed over the last year (see page 20 for examples)

Nine training workshops were held to develop skills to build capacity within the community. These were attended by 164 community leaders and volunteers

An 'Eat and Greet' event was held for over 96 people from 36 different not-for-profit groups

11 community-led projects and events were delivered through the 'On-the-Job Support' initiative and 22 projects which required up to 10 hours of support

Developed the new participatory budgeting grants program.

Cockburn Volunteer Resource Centre

✓ Achievements

426 guests attended the 2017 Inspirational Volunteer Awards. The Awards attracted 105 nominations from 56 organisations

A Cockburn Sundowner networking event was co-hosted with 101 volunteers attending

2,342 'Very Important Volunteer' (VIV) Cards were issued, and 106 local businesses were recruited for the 'Very Important Volunteer' initiative

A 'Giving Market' at Cockburn Gateways Shopping City was organised, showcasing 20 local community organisations.

Support Services

Support Services include the City's grant-funded Financial Counselling and Cockburn Support Services. Together, these services provide counselling, information, advocacy, options and referrals to people living in the City.

✓ Achievements

The Financial Counselling Services assisted 454 individuals and families in face-to-face consultations and provision of a range of community education workshops including Reducing Financial Stress and a mental health and wellbeing event

Cockburn Support Service helped 870 individuals and families in face-to-face consultations, support groups and workshops

The service facilitated community education workshops including Employment Skills Building workshop, Healthy Conflict in Relationships and a Cybersafety Forum. 125 people attended these workshops in total

Regular group activities were delivered including Women of the World multicultural group, Wise Women Workshops, Me Time Aboriginal group and the Anxiety Support group

Events were provided including Beeliar Hub parent and child group, with 70 families attending each term, Cockburn Health and Harmony Fair during Harmony Week and Mental Health Week.

Cockburn Parenting Service

A service for parents of children aged 0-18 years to support parents and carers to manage the challenges of parenting, build knowledge, skills and confidence, understand children's development and identify local community supports. This service is delivered through parenting courses, workshops, parent/child groups, family events and individual consultations.

✓ Achievements

The service delivered 29 workshops and parenting courses to parents

Support, information, learning and referral was provided to 1,086 parents or carers, through groups, workshops, and consultations

The service also attended and/or organised nine community events. The annual Family Dance held in Family Week was very successful with over 150 parents/carers and children attending.

Children's Development

This is a community development role responding to the needs of children and families in the City of Cockburn, as well as networking and advocating about issues and service gaps related to children up to the age of 12.

✓ Achievements

In the Children's Environment and Health Local Government Policy Awards, the City was successful in winning one category and two commendations (see page 18-19)

Two sessions a week of Froggy's Fun on the Green outdoor play program were delivered to a total of 1,820 parents and 2,496 children

A new summer event, Froggy's Fun with Fathers, attracted 100 children and 80 dads to Meller Park

Free skate park coaching clinics, with competitions, attracted 771 primary school-aged children, plus 523 spectators/parents

Workshops for parents included a Kids and Anxiety parent workshop with 56 parents and grandparents and a Chatter Matters workshop on early language development attracting 35 parents

35 people attended a sundowner held for schools to inform them about the range of services the City offers.

Top: Inspirational Volunteer Awards (left to right) Peter Hodgson, Alan Wright, Geoff Webb, Robyn Leahy, Rosinda Seara, Diane Wright, Mayor Logan Howlett.



Aboriginal Community Development

This service provides information and support to Aboriginal community groups and individuals to strengthen relationships, increase communication and encourage the development of ideas and activities. The service works in partnership with the Aboriginal Reference Group and implements the Reconciliation Action Plan.

✓ Achievements

NAIDOC Week 2017 had the theme 'Our Languages Matter' and was celebrated with a flag-raising ceremony, art exhibition and NAIDOC Family Dance

Aboriginal services provided a 'Welcome Baby to Country' activity at Teddy Bears Picnic with Elder Marie Taylor offering individual totems to each baby and parent

Harmony Week presented a first time, joint Welcome to Country dance performed by Aboriginal dancers and the Chinese Dance Group together

The City's third Reconciliation Action Plan was developed through an extensive consultation process and adopted by Council to cover the period 2018-21

Reconciliation Week events included the annual flag-raising ceremony and guest speaker James Back from Reconciliation WA

Aboriginal cultural competency training was provided to the City's Disability Reference Group

Mentor support was provided to Aboriginal staff at the City through a group led by the Aboriginal Community Development Officer, with the aim of supporting and increasing Aboriginal employment at the City.

Disability Access & Inclusion

The service provides a point of contact for staff and the community, offering information and advice, raising awareness and supporting projects that enhance participation for people with disability. The City's Disability Access and Inclusion Plan (DAIP) provides a framework for translating the principles and objectives of the Disability Services Act (2003) into achievable initiatives (outcomes below).

✓ Achievements

Outcome 1: People with disability can access City of Cockburn services and events

In 2017 the City engaged an interpreting organisation which specialises in Auslan interpreting for stage performances.

Auslan interpreting was provided for the Celebrate Ability event, Christmas on the Green and the ANZAC Day dawn service, along with a number of individual requests for activities

Audio description was provided for the first time at the new Coogee Live event, for a visual acrobatic show on the beach

The City utilised recreation matting at outdoor events to enhance access

The City supported the local Little Athletics club to host an 'All Abilities Come and Try' day, which resulted in several children signing up to the sport

The City invested in a new accessible van to assist transporting seniors with access needs to the Seniors Centre and on outings

The Disability Access and Inclusion Officer, with feedback from the Disability Reference Group, created an accessible event guide and checklist for staff who organise events.

Outcome 2: People with disability have equal opportunity to access the buildings and other facilities at the City of Cockburn

A review of existing in-built hearing loops in City buildings was undertaken

Concept designs for building and facility improvements were procured including stair modifications for safer emergency egress and bathroom modifications at Cockburn Care

The beach matting was laid again at Port Coogee Marina for the summer season, and the beach wheelchair remained available to the community

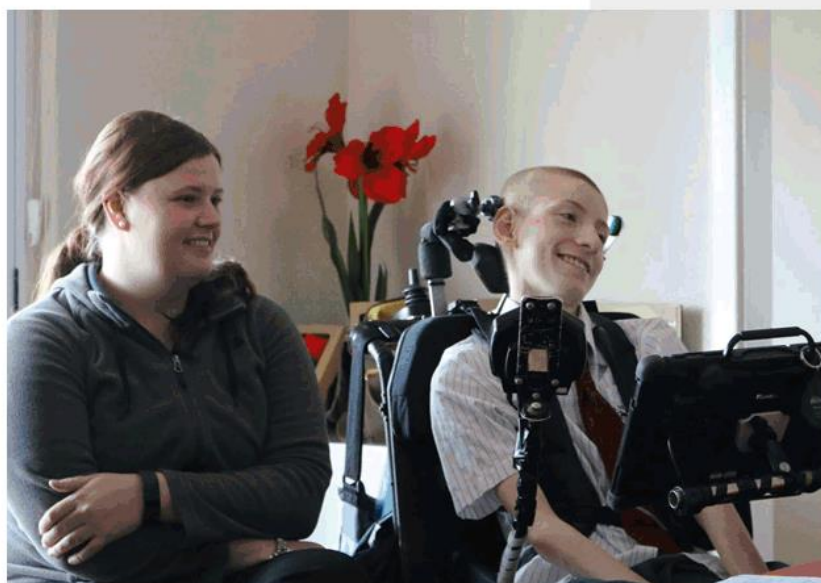
Botany Park playground now includes a range of accessible play equipment such as a wheelchair accessible carousel, supportive swing seat, wheelchair accessible water and sand play, and wheelchair accessible tables

A number of pathway improvements were implemented, including in response to individual community requests.

Outcome 3: People with disability receive information that is readily accessible from the City of Cockburn

Maintenance and new work on the City and Cockburn ARC websites have incorporated accessibility to achieve and maintain compliance with Web Content Accessibility Guideline AA-level accessibility

The City's efforts in developing accessible websites have received a number of awards (see pages 18-19)



Top: Australia Day celebrations
Left: Disability Reference Group

The City supported a full time Digital Communications Officer role, a position dedicated to the maintenance of the City's new website

The City's Information Systems team implemented an accessibility budget, to provide staff with access to expert assistance from a digital access consultant on accessibility-related issues as required

The City hosted two five-day certificate level courses on Digital Accessibility, which were attended by key staff from the City

A number of key electronic documents have been converted to accessible format and the colour contrast analyser tool used on various publications

The City continued to support an interpreting and translation budget

The City's new DAIP has been converted to a range of alternative formats including Easy English, Braille, audio and accessible Word versions.

Outcome 4: People with disability receive the same level of quality service as other people in the community from staff at the City of Cockburn

Staff have attended training, events and forums aimed at enhancing their knowledge and understanding of access and inclusion

Staff have been provided with mental health-related training, including recognising the signs and strategies to address them in a proactive way

A disability awareness training review has been undertaken in order to introduce a suite of awareness training for staff

The City continued its subscription to the Institute of Access Training Australia's Access Awareness E-books available for all staff, which include checklists for accessible and inclusive facilities, programs and services.

Outcome 5: People with disability have equal opportunity to lodge complaints to the City of Cockburn

Complaints processes were communicated to senior management teams, with a reminder that insisting information be put in writing may be discriminatory

The Disability Access and Inclusion Officer supported staff and customers with a range of requests and complaints relating to disability issues.

Outcome 6: People with disability have equal opportunity to participate in public consultation conducted by the City of Cockburn

The City's new DAIP was developed in 2017-18 with comprehensive consultation methods and a range of feedback options which included Auslan interpreting

The City has continued to utilise 'Comment on Cockburn', an online community engagement platform for community consultation, and also commissioned a useability and accessibility review of the website

The City continued facilitating monthly Disability Reference Group meetings with community members, allowing for disability specific feedback.

Outcome 7: People with disability have equal opportunity to obtain and maintain employment with a public authority

A dedicated traineeship for a person with disability has been completed and their employment continued at the City

The City continues to employ a number people with disability in our parks and executive teams, in partnership with a local Disability Employment Service

The City was awarded:

- The Lighthouse Project 'CEO Leadership Award' in August 2017
- An 'Embracing Social Value' WA Disability Enterprise Certificate of Thanks for embedding social procurement within policies and practices

The City continues to procure contracts with WA Disability Enterprises, providing opportunities for people with disability through parks maintenance, cleaning, fire equipment servicing and the three bin roll out program.



Youth Services

Administers grant and Council-funded services, programs and community development for youth aged 10-24. It provides events and facilities to provide increased support, activity and leisure opportunities for young people.

Customer service rating Youth Centre (see page 16): 92.9%

Customer service rating Youth Bus (see page 16): 100%.

✓ Achievements

Developed the new Youth Services Strategy 2017-2022.

Youth Support Services

✓ Achievements

Employed three full-time youth workers to support at-risk young people in Cockburn aged 10-18 years and their families

Worked with Hope Community Services, RISE and Save the Children to deliver metropolitan-wide support for young people in the justice system to develop life skills

Youth Centre

✓ Achievements

Over 20,000 youth visits to the centre

Youth Centre memberships reached 3,350

Supported young people to enter the student film project 'Your Say, Your Call' competition, placing fourth

Established the 'Diversity Alliance' to provide safe and inclusive social support for young people identifying as LGBTIQA.

Youth Development

The City provides a broad range of activities and programs that are accessible to all young people aged 10-24 years that live in the City.

✓ Achievements

Established and launched the 'Cockburn RYDE' program which provides young people aged 16-25 years who live, work or study in the City of Cockburn with the opportunity to complete their 50 hours of supervised driving with a volunteer driving mentor

Partnered with the Cockburn Surf Lifesaving Club and local youth leaders to secure Alcoa 'Community Partnership' funds to deliver the 'Illuminate' Youth Week event.

Grants & Research

The Grants & Research team provides a central coordinating service for the distribution of the City's grants, donations and sponsorship to community groups, organisations and individuals. The team also seeks grants from Commonwealth, State Government and other sources for services and facilities for residents of the City.

Each year, the City allocates up to two per cent of the rates income to a range of grants, donations, sponsorships and subsidies called the Cockburn Community Fund. In 2017-18 the City distributed \$1.3 million through this fund.

✓ Achievements

Completed a review of the Grants, Donations and Sponsorships Policy and associated assessment processes, with recommendations presented to the Grants and Donations Committee and approved by Council

Expanded the SmartyGrants online management system created for community grants

Completed development of the Community Innovation and Participatory Budgeting model and policy adopted by Council.



Top: Coogee Live 2018

Opposite: Deputy Mayor Lee-Anne Smith, Art and Cultural Coordinator Cassandra Cooper and Mayor Logan Howlett at the Show Off Art Exhibition

CORPORATE COMMUNICATIONS BUSINESS UNIT

Responsible for the delivery of communication to ensure the community is engaged, informed and aware of the City's facilities and services. This includes marketing, communications, public relations, events, graphic design, customer service and arts and culture.

Marketing & Media

Develop a range of communications/marketing material to ensure the community is engaged and informed about the City's services and programs.

✓ Achievements

Launched a new corporate website

Undertook the annual community survey to determine community priorities and areas of concern. Developed strategies to address these and reported back to staff, Elected Members and the community.

Events, Arts, Culture & Heritage Services

Provide community events and works to preserve and promote the heritage of the district, including the Azelia Ley Museum. Oversees art and cultural projects in the City.

Events & Culture

✓ Achievements

Coogee Live, a new three-day coastal event

Show Off 14 Art Exhibition

- 64 artists participated
- Sales equated to almost 15% of exhibition

There were eight successful applications for cultural grants totalling \$15,685, and nine youth art scholarships totalling \$4,250

The ANZAC Dawn Service was attended by more than 5,000 people, with 1,500 attending the 10am service. Over 1,500 students took part in the ANZAC Youth Parade.



Civic Events

Civic events are run by the Strategy & Civic Support Department.

✓ Achievements

Eleven Citizenship Ceremonies - 461 people from 52 countries became Australian citizens. The top 10 represented countries were (from highest to lowest): United Kingdom, Philippines, India, South Africa, Malaysia, Germany, Iran, Italy, New Zealand and Venezuela.

Azelia Ley Homestead Museum

✓ Achievements

Over 6,000 people from schools and organised tours visited the museum throughout the year. More than 9,800 people attended events in the museum grounds including the Teddy Bears Picnic, vintage machinery day and High Tea.

Customer Service

Customer Service provides information to the general public and community through telephone, email and social media. The team raises customer requests, deals with enquiries at the front counter and completes cashier transactions.

✓ Achievements

Customer service rating (see page 16):

Front counter 100%

Contact centre 87.7%.

105,146 calls were received by the Contact Centre

12,784 enquiries were made at the front counter

32,350 customer requests were raised

7,560 transactions were processed at the front counter.

Engineering & Works

Directorate

This directorate is responsible for delivering and maintaining a safe road, cycleway and path network, developing and maintaining parks and managing the natural environment. The directorate collects and disposes of waste from all residential properties in the City, provides and maintains buildings and other facilities on Council property for community use, and promotes and implements sustainability. It ensures Council assets are managed in a cost-effective way for optimal service delivery through a balance of creation, preservation, enhancement and disposal. This directorate also manages Port Coogee Marina.

HIGHLIGHTS

5,683	Tonnes of waste diverted from landfill and recycled at Henderson Waste Recovery Park
76,773	Bins lifted per week by the City's trucks
5,000	Trees pruned under power lines
220	Playgrounds maintained
650	Kilometres of verges maintained





Top: Operations Centre

Above: Henderson Waste Recovery Park, methane power plant

SPEND ON ASSET DEVELOPMENT AND OPERATIONAL ACTIVITIES

Asset Development	\$M
Landfill site	0.2
Plant – new and replacement	3.9
Parks and environment	6.8
Roads, footpath and drainage	11.9
Developer contributed infrastructure	12
Buildings	12.2
Total	47

Operational Activities	\$M
Plant maintenance	3.1
Facilities maintenance	6.8
Waste disposal	6.8
Roads, footpaths and drainage maintenance	8
Parks and environment maintenance	13.9
Waste collection	13.9
Total	52.5

WASTE SERVICES BUSINESS UNIT

Waste Disposal Services

The City operates a landfill site at the Henderson Waste Recovery Park (HWRP) to receive waste in accordance with the requirements of a Class III site under the Environmental Protection Act 1986, Part V. The service aims to maximise financial returns and provide quality customer service.

✓ Achievements

Customer service rating (see page 16): 73%

Assessed and actioned 9,142 customer requests

8.7 per cent of recyclable items (5,683 tonnes) were recovered and diverted from landfill including 169 tonnes of recyclable items sold at the Re-use Shop

Incoming commercial waste tonnages increased by 2.7% from the previous year

83 tonnes of toxic household hazardous waste were diverted from landfill

4,255m³ of landfill gas was captured, up 4% from the previous year

An agreement with Paintback was signed to remove commercial paint from HWRP

Installed litter prevention fencing and leachate pump monitors

Installed a green waste decontamination plant

Constructed a fence to further separate customers from plant and machinery at the temporary community drop off facility.

Waste Collection Services

Provides a regular, reliable and safe municipal waste and recycling collection service for eligible properties within the district. Waste Collection Services ensure an environmentally acceptable manner of waste disposal.

✓ Achievements

Significantly improved safety record for Waste Collection in 2017-18

An average of 76,773 bins per week were lifted, an increase of 9.6 per cent from the previous year. This equates to 3.7 million bin lifts over the year by 15 waste trucks, seven waste, six recycling and two green waste trucks (two back up trucks not included)

Reduced general waste tonnages by 3.7 per cent over the year, largely due to the introduction of the 13,560 garden waste bins that collected 2,210 tonnes of green waste and the City's waste education programs. This decrease occurred despite the allowance for an extra 750 tonnes from an additional 950 new residential properties

2,756 tonnes of hard waste and 1,869 tonnes of green waste were collected in the City's verge collection program. This represented a decrease of 0.2 per cent from the previous year

Recovered and recycled 66 tonnes of mattresses, 139 tonnes of scrap metal and 16 tonnes of e-Waste

125 tonnes of waste were collected by our illegal dumping crew

Approved 25 waste management plans for developments

Installed 13 custom-made public place recycling enclosures

On-board GPS video tracing devices (Intellitrac) were installed in all waste trucks which have proven valuable in



Waste education at Coogee Live 2018

dealing with customer requests and proving false damage claims against the City.

Waste Education

The City undertakes an extensive waste education program to lead and support a community that avoids waste generation, reduces environmental impacts and considers the waste that is produced as a valuable resource to be recovered, reused and recycled.

✓ Achievements

Developed a series of creative and innovative waste education materials to effectively improve waste diversion and improve environmental outcomes

Improved diversion of waste to landfill by improving the correct use of bins through doorknocking and bin auditing during the three bin roll out program

Provided activities for the City's waste education trailer for weekend events and school incursions

Developed waste education packs for waste drivers to present to children

Reviewed the City of Cockburn's Waste Management and Education Strategy

Awarded Waste Authority grants for community education and the Better Bins Program

Ran a number of campaigns and programs including Dob In A Dumper and the third bin rollout.



Top and right: The City's parks and reserves are maintained by the Parks & Environment business unit

Right: Playground maintenance





PARKS & ENVIRONMENT BUSINESS UNIT

The Parks & Environment business unit is responsible for facilitating sustainability throughout the organisation and the community. The business unit designs, constructs, rehabilitates and maintains the City's open spaces, manages water resources, greenhouse gas emissions, bushland and wetland areas, high quality playing fields, passive parks, foreshore areas, streetscapes and park infrastructure.

Parks Service Unit

The Parks service unit manages the development of strategies and policies, and provides advice on park and horticultural-related matters. The unit assesses district and local structure plans and constructs and maintains parks, ovals and streetscapes on Council-owned land in accordance with agreed service levels.

✓ Achievements

Customer service rating (see page 16): 74.7%

*This rating refers to the level of satisfaction with how customer requests were dealt with and not from satisfaction with parks themselves.

Parks Operations

Perform a range of ground maintenance activities across the City and provide functional and attractive public amenities for use by residents and visitors to the City.

✓ Achievements

Assessed and actioned 4,806 customer requests

Maintained over 590 hectares of turf and landscape areas on sporting ovals, passive parks and community facilities

Managed and maintained the public open space, streetscapes and beach at Port Coogee

Managed and maintained park infrastructure valued at \$65 million

Managed and maintained 220 playgrounds

Maintained over 116 hectares of streetscapes, including roundabouts, median islands and verges

Maintained major streetscapes, including Spearwood

Avenue (Friendship Way), Beeliar Drive, Wentworth Parade, Phoenix Road, Midgegooroo Avenue, Cockburn Road and North Lake Road

Maintained over 650 kilometres of road verges

Completed the annual Sports Oval Carrying Capacity Report

Completed sports oval turf renovations program

Undertook annual turf analysis and soil assessments

Undertook annual Yardstick Parks Assessment (comparisons with other local governments)

Contributed to the University of WA Turf Research Project.

Street Tree Management

✓ Achievements

Developed and implemented a Street Tree Master Plan

Completed 2,442 tree maintenance customer requests

Implemented online recording of contract tree works

Pruned over 5,000 trees under power lines.

Ground Water Operating Strategy

Provides strategic direction for the City's monitoring and management of groundwater abstraction in accordance with the Department of Water's licence conditions.

✓ Achievements

Managed and monitored 221 bore locations each month to inform individual water budgets for each park

Maintained 11 iron filter systems which remove iron from abstracted groundwater

Monitored the water quality of five significant locations adjacent to environmentally sensitive areas: Kurrajong Reserve, Kevin Bowman Reserve, Manning Reserve, Bibra Lake picnic area and Waterbuttons Park

Produced an annual report for the Department of Water outlining the City's abstraction per licence, water quality and impact on water draw from aquifers

Completed an assessment of the water quality at Beeliar Lake and addressed short term recommendations.

Parks Development

Designs and constructs a wide range of park infrastructure and facilities, and renews equipment that has reached the end of its useful life.

✓ Achievements

Constructed and/or renewed 17 playgrounds including work at Heatherlea Reserve, Hopbush Park, Manning Park, Atwell Community Centre, Dubove Reserve, Duffield Park, Katich Park, Market Garden Reserves, Nicholson Park, Pelican Ramble public open space, Perdita Park, Perena Rocchi Reserve, Poole Reserve, Lake Yangebup and significant upgrades at Botany Park and Jarvis Park

Replaced irrigation systems at Jarvis Park and Hanlon Park

Installed 18 pump units as part of the pump renewal program

Installed exercise equipment at two locations Harmony Park and Radonich Park

Provided 706 street trees

Improved streetscapes on Berrigan Drive, at the Dean Road entrance to Glen Iris Estate and on Beeliar Drive median island

Installed lighting to the boardwalk at Harmony Park

Installed a basketball half-court at Allendale Park

Constructed two clay pump tracks at Broadwater Park, South Lake and Perena Rocchi Reserve, Yangebup.

Shade Sail Strategy

Identifies the criteria for installing shade sails and planting trees around playgrounds.

✓ Achievements

Installed shade sails at:

- Habitat Park
- Botany Park
- Bloodwood Park
- Glen Mia Park
- Freshwater Park
- Banjup Community Centre.

Revitalisation Strategies

Facilitate the urban renewal of each precinct including the enhancement of existing public open space and streetscapes.

Phoenix Revitalisation Strategy

✓ Achievements

Completed upgrades to McFaul Park and community consultation for the new playground.

Coolbellup Revitalisation Strategy

✓ Achievements

Upgraded Jarvis Park playground including a shelter, BBQ, half-court basketball and native shrub planting to hydro-zoned areas.

Hamilton Hill Revitalisation Strategy

✓ Achievements

Upgraded Fortini Park landscaping and pathways

Upgraded Sawle Park landscaping and pathways

Planted trees at Redmond Reserve

Upgraded Jakob Park including landscaping, shelter, seating and pathways

Upgrades to Hanlon Park including playground installation, bore, irrigation, turf and tree planting.

Lakes Revitalisation Strategy

✓ Achievements

Consultation was completed for South Lake fenced dog exercise area with construction planned for next year

Briggs Street Lots 12 and 52, vegetation removal, bollard and gate installed, earthworks and pathways works planned.

Bibra Lake Management Plan

The plan guides best practice sustainable management of the Bibra Lake Reserve for maximum environmental and community benefit.

✓ Achievements

Constructed Walliabup Skate Park and adjacent recreational facilities including half-court basketball, scooter track, shelters, BBQ, playground and toilet facility.



Top: Visko Park, Yangebup
playground with shade sails
Left: Jarvis Park, Coolbellup
after completion of upgrades



Top: Coogee Maritime Trail continues to be developed with additional underwater features

Right: Access stairs to Coogee Beach were constructed





Coogee Beach Master Plan

The plan ensures the sustainability of the coastal environment and provides strategic direction for ongoing upgrades to the Coogee Beach precinct.

✓ Achievements

Engaged consultant to undertake detailed design documents for the implementation of Stage 3 of the Coogee Beach Master Plan. This will include works to improve vehicular access from Cockburn Road, upgrade landscaping, pedestrian flow around the Coogee Café and improve the northern car park layout.

North Coogee Foreshore Management Plan

The plan provides for the development of the northern section of the CY O'Connor Reserve which will benefit residents in the western coastal suburbs.

✓ Achievements

Consultant engaged to develop tender specifications for the delivery of sewer, potable water and electrical cabling to CY O'Connor Reserve.

Environmental Services Unit

Incorporates the combined disciplines of natural area management, environmental education, climate change adaptation and mitigation, and sustainability. Maintains and enhances environmental values and sustainable outcomes for the City.

Natural Area Management

Seeks to enhance and protect the environmental values of nature reserves by undertaking rehabilitation and intensive maintenance programs, managing approximately 1,200 hectares of conservation reserves.

✓ Achievements

Assessed and actioned 184 customer requests

Planted 67,129 plants to revegetate more than five hectares of degraded land

Continued the feral animal control program at a variety of reserves throughout the City

Undertook dieback mapping at Banksia Eucalypt Woodland, Bandicoot, Holdsworth and Cocos Reserves

Undertook veldt grass control in Lot 800 Gwilliam, Bibra Lake, Yangebup Lake, Banksia Eucalypt Woodland and Denis De Young Reserves to reduce fuel loading and prevent biodiversity loss

Undertook fire control measures in a number of reserves to minimise fire risk

Mapped the condition of 15 reserves encompassing 162 hectares of reserves.

Capital Works Projects

✓ Achievements

Concept design has been completed for the Cockburn Wetlands Precinct including a new Native ARC facility and relocation of the scout shed

Continued development of the Coogee Maritime Trail by adding additional underwater art (fish basket) and two historic relics (railway wheel and an Admiralty anchor) recovered from Elizabeth Quay

Constructed a set of stairs into the breakwater at Port Coogee which lead down to Coogee Beach

Completed an upgrade to the third Manning Park lookout, including installation of new artwork

Constructed stairs and footpath from Spearwood Avenue which lead to the western lookout at Manning Park

Oversaw construction of a dual use path linking Denis De Young Reserve to Shirley Bella Swamp.

Grants

✓ Achievements

Supported eight landowners within the City of Cockburn through Landowner Biodiversity Conservation Grants. \$21,000 was made available to maintain and protect remnant bushland and wetlands within rural residential properties

The City successfully supported three State Natural Resource Management funded projects partnering with:

- Birdlife WA on the native bird oasis at Bibra Lake
- Cockburn Community Wildlife Corridor Group rehabilitating a section of Lot 800 Gwilliam Drive (part of Bibra Lake Reserve), and
- Kids for Climate, part of the Low Carbon Schools program, providing revegetation engagement opportunities to five schools

Delivered Stage 1 of the Local Projects Local Jobs Urban Greening Project with community participation. This included the installation of native trees along Cockburn Coast, the native bird oasis and cocky garden at Goodwill Park.

Community Events

✓ Achievements

Held 31 community and school planting events across the City's conservation reserves. Over 500 people participated, contributing over 5,000 hours of volunteer time to conservation efforts

Hosted a Green Army work team in collaboration with other South Metropolitan Councils. The Green Army is a hands-on, practical environmental action program that supports local environment and heritage conservation projects across Australia

Hosted the Terrific Turtle Fest with 100 community members in partnership with the Wetlands Precinct

Supported five community groups to undertake clean-up sites within the City as part of Clean Up Australia Day (CUAD) and held a CUAD event at Port Coogee with over 100 volunteers

Supported a partnership with conservation volunteers facilitating volunteer activities in a number of City of Cockburn conservation reserves

Native Plant Subsidy Scheme: 4,333 plants were provided at a discounted rate to residents. 17 schools participated in the Native Plant Scheme for Schools with 360 free plants being provided to schools within the City

Habitat for Homes: 21 residents took part in the Bird Bath Subsidy Scheme

The City participated for the third year in the Great Aussie Backyard Bird Count, a unique national citizen science program that collects data on common birds in the City which can be used to inform both management and research outcomes, for example, pest control strategies

The City held guided indigenous walks at Banksia Eucalypt Woodland and Bibra Lake which were well received.

Energy and Emissions Reduction

✓ Achievements

Made progress towards meeting emissions reduction targets

Supported the Zero Fleet Emissions Program

Offered free advisory visits for 60 households, community and child care centres as part of the Energy Audit Program.

Sustainability

✓ Achievements

Reviewed and updated the Sustainability Policy and Strategy

Adopted the 2017-18 Sustainability Action Plan

Awarded 14 'A Better Tomorrow' sustainability grants to community groups and schools to implement sustainability projects and events

Hosted a range of workshops focused on sustainability including seven-week 'Living Smart' Courses, snake awareness workshop, bushfire preparedness and resilience workshop and sustainable building and design consultations.

Water Campaign

✓ Achievements

Completed the Waterwise Water Efficiency Action Plan

Hosted the Beyond Gardens Waterwise Gardening workshop

Continued to investigate the development of a waterwise verge subsidy scheme

Progressed towards meeting water management targets to help reduce water consumption and improve water quality in the City

Delivered activities to improve water quality in Yangebup Lake and Bibra Lake

Submitted annual Waterwise Council Report on water reduction targets to the Water Corporation. Cockburn is currently a gold status Waterwise Council.

Environmental Education

✓ Achievements

Enabled and conducted 29 environmental education excursions and incursions for local schools reaching over 1,000 students

Conducted 10 school revegetation excursions for over 380 students

Ran 25 events for the Get Wild about Wetlands holiday program, with over 900 participants attending

Held the annual World Environment Day Schools Festival which provided a day of environmental education for 230 students from nine primary schools. The project was a partnership between the Cockburn Wetlands Education Centre, Native ARC and the Bibra Lake Scouts



Enabled 60 students to participate in the Adopt-a-Beach School Program (Coastcare/UNESCO Sandwatch) in partnership with South Coogee Primary School and Coastcare. This involved in-class learning, on-ground action and, combined with marine debris surveys for the Tangaroa Blue Foundation, providing information on coastal vulnerability and marine health

Awarded 11 environmental education initiatives grants

Enabled two Australian Youth Climate Coalition Schools Summit two-day events for five local high schools and 86 student participants

Enabled two local schools to take part in the Low Carbon Schools Pilot Program.

Tertiary Partnerships and Studies

✓ Achievements

The City partnered with Kings Park Science to embark on a long term study of fire ecology in Banksia Woodlands when subject to a prescribed burn. The 20 year study will monitor the effects of undertaking a burn in woodlands and then measure responses against a variety of treatments including weed control

Partnered with Murdoch University and the Water Corporation to conduct a study on the efficiency of vegetated swales to uptake phosphorous particles in wetlands

Conducted a fox tracking program.

Roe 8 Rehabilitation Project

✓ Achievements

Participated and facilitated actions arising from the Roe 8 working group

Contributed to the development of the Roe 8 Rehabilitation Management Plan

Developed a service agreement with Main Roads WA to implement the key objectives of the Roe 8 Rehabilitation Management Plan and associated land management activities.

INFRASTRUCTURE SERVICES BUSINESS UNIT

Asset Services

Ensure that City assets are managed in a cost effective way for optimal service delivery through a balance of creation, preservation, enhancement and disposal.

✓ Achievements

Asset Management Strategy 2017-2024 was adopted by Council

Completed mobile computing projects for Road Services, Workshop Services, Community Safety Services and Park Services irrigation teams. The mobile technology has enabled digitising of operational work activities, streamlined processes, reduced double handling of data and paper usage while providing officers with systems to capture accurate asset costings to assist in long term financial planning

Reported on the City's asset management sustainability performance against the National Assessment Framework (supported by the Department of Local Government and Communities).

Project Management & Development Services

Project manage the planning, design and construction delivery of the City's building infrastructure capital works projects. Assist in the development and application of best practice project management systems and processes across the organisation.

✓ Achievements

Completed the construction of the new Cockburn Community Men's Shed in Cockburn Central

Undertook security and bulk storage upgrades at the City's Operations Centre

Managed the design and delivery of the Spearwood Library refurbishment project

Managed upgrades to the City's Administration Building, including the relocation of the City's Contact Centre and provision of additional meeting and training rooms

Project managed the building of the new Cockburn Bowling and Recreation Facility at Visko Park in Yangebup

Completed the Beale Park sewer connection and planning for the Wetlands Education precinct sewer connection works. These sewer connection works will reduce the City's environmental footprint and reduce maintenance costs.



Above: Solar PV panels provide half the electricity for Cockburn ARC

Right: CY O'Connor statue enroute for repairs after being damaged





Facilities & Plant Services

Plan and deliver the Council's building and facility operational and minor capital works program as well as the City's plant and fleet acquisition and maintenance services.

✓ Achievements

Undertook the planning and delivery of rehabilitation and improvements to various City buildings and facilities as well as undertaking the planning and delivering of all of the City's fleet and plant, including:

- Assessed and actioned 2,618 customer requests
- Undertook minor works at Coogee Beach Surf Life Saving Club, Cockburn Youth Centre, the Jean Willis Centre, Beeliar Community Centre, Naval Base Holiday Park and Jandakot Hall
- Undertook disability access improvement works at various City facilities
- Reviewed and updated the asbestos audit and associated improvement works across the City's building portfolio
- Installed street and building signs across the City
- Replaced old and underperforming air conditioning systems for reduced running costs and associated energy emission reduction benefits
- Installed new hearing loop systems to some City facilities to improve the hearing capabilities of hearing impaired visitors
- Purchased trucks, community buses, marina boat and trailer, ride-on mowers and 31 light vehicles.

Marina & Coastal Services

Manage the Port Coogee Marina facility including business development, penholder liaison and daily service operations, as well as plan and deliver coastal infrastructure and management initiatives.

✓ Achievements

Undertook marina infrastructure defect repairs to the floating jetty structures and piles

The marina fuel facility was completed in November 2018

Continued improvements to the marina's CCTV and other security infrastructure and servicing

Installed chafers for safer vessel tie-up to the main boardwalk for passenger and equipment loading and unloading

Started planning for the expansion of the marina which will almost double its capacity to approximately 300 mooring berths. Planning commenced for improved parking facilities and grant funding was secured for a new visitors jetty

Safety works included reshaping Ngarkal Beach swimming area and separately fitting an anti-climb barrier on the Maraboo Wharf Bridge

Replaced deck sections on Coogee Jetty

Planning and grant funding applications were undertaken for further beach erosion treatments along CY O'Connor Beach including planned back passing beach sand transport and placement works

Reinstated the CY O'Connor statue, located in the water off CY O'Connor Beach. Repairs to the statue were undertaken by the original artist Tony Jones

Continued to provide the Coogee Beach Eco Shark Barrier, which has proved very popular, providing swimmers with peace of mind as they enjoy this enclosed swimming area

Continued liaison with cities in the Cockburn Sound Coastal Alliance, and with other metropolitan and regional coastal local governments on matters to do with coastal vulnerability and adaptation planning.

ENGINEERING BUSINESS UNIT

Road Construction Services

Construct and maintain roads, drains and associated infrastructure.

✓ Achievements

Customer service rating (see page 16): 77.7%

This rating refers to the level of satisfaction with how requests were dealt with, and not from satisfaction with roads themselves.

Completed the second carriageway for North Lake Road between Hammond Road and Midgegooroo Avenue

Completed the duplication of Beeliar Drive between Durnin Avenue and Stock Road

Completed the annual bus shelter upgrade and replacement program with the Perth Transport Authority

Completed new footpaths in Hammond Road, Cockburn Road, Beeliar Drive, Rockingham Road and North Lake Road

Completed drainage improvements at Yangebup, Postans and Oldridge Roads

Completed drainage sump upgrades at Rossetti Drive, Allendale Entrance, Dodd Street and the open drain systems maintenance of Success, Atwell and North Lake

Completed the construction of the Black Spot project for the extension of left turn areas at the North Lake Road/ Berrigan Drive intersection

Completed 90% of Mayor Road reconstruction (Rockingham to Fawcett)

Completed 90% of construction of Berrigan Drive duplication and Pilatus Street to Jandakot Airport

Completed the intersection upgrade of Knock Place/ Solomon Road

Completed the reconstruction of Lyon/Gibbs intersection and associated works

Constructed Tapper Road on-street parking.

Road Design Services

Provide design services for roads, paths and drains. Conduct development assessments and traffic management treatments under the responsibility of the City in accordance with Australian Standards and industry best practice.

✓ Achievements

Assessed and actioned 821 customer requests

Completed the design of road upgrade to Barrington Street (Stock Road to Rockingham Road)

Completed the design of Verde Drive extension from Solomon Road to the roundabout at the shopping complex

Completed the design for new traffic signals at the intersection of Gibbs Road and Lyon Road

Completed the design for the Spearwood Avenue road and bridge duplication between Barrington Road and Beeliar Drive

Completed the design of the intersection upgrade of North Lake Road and Phoenix Road

Completed design for the roundabout at Liddelow Road/ Gibbs Road intersection.

Road Planning & Development Services

Ensure development occurs in accordance with all relevant Australian Standards and Council's development conditions and specifications.

✓ Achievements

Engineering construction drawings of 37 subdivisions were reviewed, approved and construction managed successfully

More than 10 development control unit items per week were reviewed

115 crossover applications and building permit applications including residential premises were assessed.

Transport & Traffic Services

Ensure planning and development of the transport network within the City meets community and industry needs while minimising the impact on the environment.

✓ Achievements

Assessed and actioned 1,965 customer requests

Started the Russell Road Corridor Planning Study

Completed the Australian Marine Complex Parking Study

Reviewed the City bike paths and off-road trails

Developed the City of Cockburn Bicycle and Walking Network Plan 2016-2021

Held community workshops on cycling, walking and decongestion

Held social community bike rides including Glow Ride Coogee and Bibra Lake Ride

Worked with schools on traffic and safety issues

Undertook people on bicycles training sessions and 'Bike Dr' bike maintenance sessions

Reviewed 160 traffic management plans

Made 25 formal assessments for traffic calming using the City's Traffic Calming Warrant System

Provided feedback to Statutory Planning and developers about transport issues for several hundred development applications, subdivisions and structure plans

Submitted funding applications for State and Federal Black Spot and road rehabilitation and improvement programs.



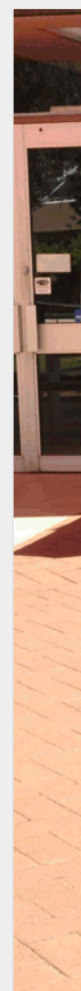
Top: Opening of Pilatus Street, Jandakot, (Left to right)
 Cr Kevin Allen, Deputy Mayor Lee-Anne Smith,
 Leo Seward (Jandakot Airport), Cr Carol Reeve-Fowkes,
 John Fraser (Jandakot Airport), Mayor Logan Howlett,
 Cr Chamonix Terblanche, Cr Phil Eva and Cr Steven Portelli
 Left: Coogee Beach Eco Shark Barrier
 Above: 'Bike Dr' bike maintenance sessions

Planning & Development Directorate

This directorate is responsible for managing statutory and strategic planning for the City and overseeing heritage, urban design and sustainable development. It manages building approvals, development compliance and environmental and public health services, as well as the acquisition and sale of the City's land assets.

HIGHLIGHTS

\$422m	Value of building works approved
7,229	Number of pools and spas registered
1,105	Number of complaints about noise
866	Number of development applications assessed





Top: Development continues at Port Coogee Marina

Above: Jillian Woolmer is the City's award-winning Travel Smart officer



Top: Mobile food vendors must meet public health standards and practices

Above: There are 7,229 swimming pools and spas registered within the City



Building Services Business Unit

Ensure that buildings and structures within the City provide acceptable levels of public safety and comply with all relevant building legislation, codes, standards and regulations.

✓ Achievements

Customer service rating – (see page 16): 84.1%

Customer service rating – swimming pool inspections (see page 16): 96.5%

2,489 building permits issued

Total value of building works \$422 million

Fee income \$925,000

Average time of 12 working days to issue all building permits

The average issuance time for a building permit in 2017-18 was:

- Certified – nine working days
- Uncertified – 20 working days.

Electronic Lodgement System

The City is now using superior image handling software which facilitates processing all building permit applications. Over the past year, 49 per cent of all building permit applications were lodged online. Work will continue through the 2018-19 financial year to prepare for further process upgrades to facilitate the increased uptake of online submissions.

Other Building Services approvals:

- Issued 104 occupancy permits
- Issued 67 demolition permits
- Issued 33 sign licences
- Issued 19 built strata title clearances

Mandatory private swimming pool inspections:

- 2,098 properties were attended for pool inspections, and with reinspections, the total number of pool inspections was 3,112.

Building Act

The introduction of the new Building Act (2011) in April 2012 has continued to provide challenges for Building Services. The Act and associated Building Regulations are changed several times a year by the State Government. These changes require an ongoing review of business and information system processes.

Building approvals for the previous four years are as follows:

Year Ending	Number of Permits	\$M Value	\$M Fee	Residential	Commercial	Industrial	Other
30/06/14	3,079	530	1.05	1,238	130	73	1,638
30/06/15	3,652	771	1.27	1,536	335	65	1,716
30/06/16	2,962	632	1.22	1,120	187	5	1,650
30/06/17	2,573	481	0.925	1,038	89	8	1,438
30/06/18	2,489	422	0.82	941	79	36	1,433

Environmental Health Business Unit

Environmental Health promotes wellbeing in the community to ensure premises and activities comply with accepted public health standards and practices. The unit works to protect the quality of the environment and improve and manage public health by implementing the City's Public Health Plan.

✓ Achievements

Customer service rating (see page 16): 73.1%.

Healthy Lifestyles

The City continues to collaborate with the Cockburn Health and Community facility to deliver the Cockburn Healthy Lifestyle Program (CHLP). The Healthy Eating Activity and Lifestyle Program (HEAL) continues to be supported and sponsored by the City and, in the last 12 months, there have been over 157 clients undertaking assessments.

- 72 per cent of participants lost weight
- 79 per cent reduced hip circumference
- 69 per cent reduced BMI and waist circumference respectively
- Over 1 in 3 participants increased the daily fruit and vegetable intake
- 85 per cent positively changed their habits around nutrition and physical activity
- 68 per cent improved their fitness

The City sponsored the Healthy Schools pilot program run through CHLP to deliver nutrition education at six local schools to over 530 school children

Three Food Sensations programs (healthy eating on a budget) were run in the community, with 25 people attending

The City collaborated with Diabetes WA to host and promote the Connect with Diabetes workshops to targeted community groups such as Aboriginal and Torres Strait Islander people

Co-Health was rebranded to Healthy Cockburn

Provided 400 free health checks at City-run events and as a result found 100 participants at risk of developing Diabetes Type 2

The City continued to support Heart Foundation Walking groups

The City signed a partnership with Act-Belong-Commit and this is now being implemented throughout the City.

Public Health Plan

The City's Public Health Plan provides the blueprint for City officers to implement improved public health outcomes for the community. Approximately 95 per cent of the actions in the Public Health Plan have been completed. The new Public Health Act 2016 places an obligation on all Local Governments in WA to develop a Public Health Plan that is consistent with the State Public Health Plan.

Environmental Health Initiatives

Food

✓ Achievements

20 infringements were issued for non-compliance with the Food Standards Australia New Zealand Food Safety Standards and Food Code. Four \$1,000 infringements were issued to companies and 16 \$250 infringements to individuals. Two infringements were forwarded to the Fines Enforcement Registry for non-payment. All infringements issued under the Food Act 2008 totalled \$8,000

Two Food Act prosecutions were undertaken with combined fines of \$15,000

Officers conducted 1,077 inspections of 771 food premises resulting in 31 improvement notices being issued for serious items to be completed

Approved 73 new (or amendments to) food businesses

Approved 433 temporary food premises and conducted 106 inspections

Conducted four training sessions for 65 potential food handlers. Promotion of FoodSafe® continues with one premise reaching accreditation during this period.

Noise

The City has a unique noise environment with the presence of a freeway and other busy roads, a passenger rail line, freight rail line, aircraft from Jandakot Airport, substantial industrial areas and intense city centre areas. Development near these sources must be designed to minimise noise intrusion, especially at night.

✓ Achievements

34 noise management plan approvals were issued for night time works on essential infrastructure, of which nine were issued to the Metropolitan Road Improvement Alliance

1,105 noise complaints were received by the City, with 755 received outside normal working hours. This is an increase of 88 complaints from last year and a breakdown of complaints received follows with about half being due to noisy music or parties.

Type of noise complaint	Received within work hours	Received outside work hours
Air conditioning	7	0
Alarms	5	17
Birds	12	0
Construction	58	69
Industrial	10	2
Music	152	510
Power tools	25	34
Swimming pools	4	0
Transport	16	5
Vibration	11	4
Other	50	114
Total	350	755

10 infringements were issued for noise. Noise infringements are issued for \$250 for a first offence, and \$500 for second and subsequent offences. Of the infringements issued:

- Five were issued for noisy construction work being conducted outside of permitted hours without approval (including two sites which were infringed twice)
- Three infringements were issued to the same offender in relation to stereo noise.

Dust

The City is rapidly developing, with dust a common cause for complaint in Cockburn in comparison to other areas in Perth. The City rigorously applied its suspension of bulk earthworks during summer to minimise dust, with 36 dust management plans approved over this period. Two infringement penalties of \$500 were issued for failure to abate dust/sand from a property.

Mosquito Program

A busy season was expected last year given the forecasted local and global climate patterns. However, the conditions did not produce the levels of mosquito activity expected.

There are a total of 587 infrastructure locations within 17 suburbs that are potential breeding sites and could need treatment depending on water levels and larvae activity.

The following locations were Ross River Virus (RRV) priority treatment areas: Success, Atwell, Aubin Grove, Hammond Park, Yangebup and Beeliar.

✓ Achievements

The City received 32 notifications for RRV from the WA Department of Health for follow-up patient interviews

33 complaints were received from residents in relation to what they perceived as being abnormally high numbers of mosquitoes localised in their area

In total, 276 sites in 17 suburbs received larvicidal treatments throughout the mosquito breeding season

Over a period of six months, mosquito traps were set in Thomson's Lake Reserve as part of a project with the Department of Health to determine the number and species of mosquitoes and the presence of the RRV.

Industrial Premises

The Industrial Premises Officer works with proprietors to achieve compliance with a range of minimum environmental management standards.

✓ Achievements

96 premises were visited in regard to mechanical servicing, metal fabricating, plastic/fibreglass fabricating, abrasive blasting, cabinet making, vehicle wrecking, granite cutting, spray painting, boat building, vehicle battery acid distribution, demolition storage, waste control and equipment hire

Received 46 complaints relating to industrial premises

No infringements were issued.

Statutory Planning Business Unit

Provides control and management of development, land use and subdivision functions within the City to ensure standards of amenity are maintained. Statutory Planning also undertakes compliance and enforcement action against non-approved development.

✓ Achievements

Customer service rating (see page 16): 70.1%

Received 1,019 development applications, an increase of 18.6 per cent from the previous year

Assessed 866 applications, a decrease of 1.5% over the previous year

644 development applications were required to be determined within 60 days. The City determined 86.8% of those applications within 60 days

222 development applications were required to be determined within 90 days. The City determined 83.3% of those applications within 90 days

Submitted nine development applications for determination under the Joint Development Assessments Panel, down from 12 last year

1,854 new lots were approved (green title, survey strata and built strata), a decrease of 11% from the previous year

Approved 39 new Local Development Plans for small lot development, an increase from 32 in the previous year

Logged 227 development compliance matters, a decrease of 23.3% over the previous year. Resolved 271 compliance matters, a decrease of eight per cent over the previous year

The estimated construction value of all development applications received over the year increased by 11.5% over the previous year to nearly \$400 million

Issued 2,671 zoning statements, a decrease of 2.4% over the previous year

Introduced a new online planning application lodgement and reporting system to improve the customer experience and provide more efficient processing.

Strategic Planning Business Unit

The Strategic Planning business unit comprises the Strategic Planning service unit and Land & Lease Administration service unit.

Strategic Planning

Prepares structure plans, formulates strategies, adopt policies which provide formal guidance and direction for the planning and development of the district, maintains the City's development contribution plans, provides cartographic and GIS expertise relevant to planning and administers geographic naming and street numbering.

✓ Achievements

Customer service rating (see page 16): 90.9%

Completed the annual update for the Local Government Heritage Inventory

Prepared the dry stone wall heritage study

Undertook the Jandakot Visioning Study in close consultation with the community

Prepared and advertised the key issue papers underpinning the preparation of the City's new Local Planning Strategy and Scheme

Developed and adopted structure plans for Hammond Park, Beeliar and Munster, helping to further progress these areas towards mixed-use residential development outcomes

Undertook the annual update for the City's suite of developer contribution plan arrangements

Ensured comprehensive application of the City's developer contribution plans

Undertook scheme amendments associated with the northeast corner of the City to provide for zoning consistency between the City's Local Planning Scheme and the Metropolitan Region Scheme

Provided services related to geographic naming, which helps enable further implementation of the City's Reconciliation Action Plan

The City undertook the five-year review of its Housing Affordability and Diversity Strategy, and was successful in obtaining a State Government grant to run a co-design initiative with local residents which aims to identify ways to provide appropriate housing for our ageing community, particularly in older suburbs.



Land & Lease Administration

Administers leases and licences which span commercial, community and tourism purposes, purchases and develops land according to the adopted strategy of the City, manages public requests for pedestrian access-ways, including closures and ensures that all property interests and the City's land portfolio are appropriate and sufficient.

✓ Achievements

Secured new land assets to optimise drainage within the Cockburn Coast area

Developed lease documents for the City's new community sports facility at Visko Park

Transitioned the Cockburn Health and Community facility to a new facility and property management agreement

Achieved land asset acquisitions and sales and managed the City's leasing relationships with the community and commercial entities.

Below: Apartments with artwork provided through the City's Per cent for Art Local Planning Policy

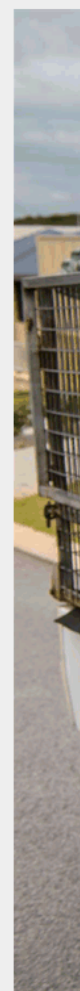


Finance & Corporate Services Directorate

This directorate is responsible for managing the City's finances including annual budgeting, financial reporting, long-term financial planning, procurement, rates/revenue, banking, treasury and taxation. The directorate also delivers information services, technology and business systems, as well as human resource management including recruitment, payroll, learning/development and occupational health and safety.

HIGHLIGHTS

\$6.5m	Net Operating Result
\$1.2b	Value Net Assets





Top: Cockburn ARC employee signs in for duty using new EMPLive system
 Above: Zero Harm is integral to the City's value of safety

HUMAN RESOURCES MANAGEMENT BUSINESS UNIT

Provide policy, programs and advice which shape the City's workforce to ensure it is capable of achieving business objectives now and in the future.

✓ Achievements

Implemented new rostering and timesheet management system for Cockburn ARC

Additional online training modules were developed and implemented

Introduced new performance development procedures

Continued to develop Zero Harm vision which has seen a decrease in Lost Time Injury frequency rate, motor vehicle rates and absences due to work-related injuries.

FINANCIAL SERVICES BUSINESS UNIT

Internal Audit

Internal audit activities for the year continued to deliver upon the City's three-year Strategic Internal Audit Plan. The sole internal audit completed was an assessment of the City's records management practices, which had previously been assessed as a high risk area within the City's strategic risk register.

The audit found the City had made considerable progress over the past 18 months to strengthen its records management practices and importantly, the risk to the City had been reduced. The audit recommended that the City continue with its managed transition of record keeping practices through a focused project plan.

External Audit

From 2017-18, the City's financial and performance external audits are being delivered through the Office of the Auditor General (OAG), following legislative change making the OAG responsible for all local government audits. The OAG has sub-contracted out the field work.

During the year, the City was chosen by the OAG to take part in a focus area audit of 10 local governments looking at controls over timely payment of suppliers. The audit report tabled in Parliament showed that the City was delivering best practice in this area. However, it prompted the City to review its existing practices to further improve the timely payment of suppliers.

The OAG completed an interim review into the City's finances

in May 2018. This covered a review of the accounting and internal control procedures, as well as sample transaction testing. The audit of the City's annual financials was completed in October 2018 and both the audit management letter and annual financial report were presented to the November 2018 Audit Committee Meeting.

✓ Achievements

No significant internal control failures or errors were detected during the interim audit and the 2017-18 financial report received an unqualified audit opinion, being the eighth consecutive year this has been the case.

Financial Systems Development

The Financial Services business unit has resources dedicated to the strategic development of financial management systems and processes. New projects are aimed at improving financial system efficiency, performance and controls. There is currently a strong focus on transitioning to automated and paperless financial business processes.

✓ Achievements

Work has started on the implementation of a Project Portfolio Management (PPM) System that will be rolled out across the organisation to look after the City's project governance and management requirements. It is expected that the first stage will be ready to go live in 2018-19

The City completed the Australasian LG Performance Excellence Program survey for the second year of a three year commitment. A large component of this survey relates to financial data and Financial Services have further refined data capturing techniques to improve the quality of the data provided and efficiency of the process.

Accounting Services

Responsible for establishing and maintaining systems and processes for recording, transacting, interpreting and communicating the City's financial data. These include financial performance measurement, budgeting and integrated financial planning services. The unit also delivers various accounting services to meet the City's business, taxation, cash management and accounts payable needs.

✓ Achievements

A new paperless online credit card acquittal process was configured within the financial system, including work-flowed approvals functionality

Internal procedures were reviewed and updated to enable paperless processing of property and public liability



insurance claims. The process and records now fully reside within the City's records management system, saving considerable storage space and resources

A project was commenced to migrate the City's fees and charges setting process from manual spreadsheets to a managed work-flowed system. Once completed, it will allow greater visibility and transparency over the annual fee setting and revenue budgeting process.

Procurement Services

Facilitate efficient and cost-effective procurement for all stakeholders through an effective centre-led procurement model providing support services in competitive sourcing and contract management. The service also works to ensure organisational compliance with statutory and internal procurement requirements.

✓ Achievements

A new e-Procurement system was successfully implemented across the City's business units, with efficiencies realised. Phase 2 will involve establishing supplier panels and integrating administrative functions

The City awarded several new contracts to both disability and Aboriginal enterprises during the year, increasing the social procurement budget spend. It also committed to several stretch targets for purchasing from Aboriginal enterprises under the new Reconciliation Action Plan

A contract performance management framework has been developed in order to build capability for managing and monitoring contractor performance against contract obligations. This is being evaluated before being systemised and rolled out

Achieved value for money objectives by facilitating and executing a new energy supply contract for the City.

Rating & Revenue Services

Delivers property rating services and manages the City's revenue raising and collection activities, while ensuring statutory compliance across all areas. Maintains and controls the City's central property database and prepares the Electoral Roll for Council.

✓ Achievements

The City successfully implemented a new payment gateway that integrates with the City's Technology One Enterprise Resource Planning system, delivering significant digital efficiency benefits

An online portal was developed for the SmartRates (direct debit) sign up option, reducing paper and allowing online data transfer to the rating database. This has improved efficiency and reduced the risk of errors

Successfully converted a number of properties rated under the Unimproved Value (UV) method to the Gross Rental Value (GRV) method. This involved extensive consultation with affected property owners and the Department of Local Government, Sport and Cultural Industries.

INFORMATION SERVICES BUSINESS UNIT

Information Services is the business unit responsible for providing, maintaining and developing the City's core services relating to information and communication technology.

Information Technology Services

Provides technology services and support that enables the delivery of the City's core information services. This includes the management of key projects that enhance and further secure the City's key information delivery to its staff, partners and community.

✓ Achievements

Implemented a new technology system across the whole organisation

Performed an audit on the City's cyber security

Performed a cloud readiness assessment on the City's key line-of-business system, Technology One

Moved away from point-to-point microwave links to high speed, reliable fibre optic WAN links

Rollled out public Wi-Fi (Phase 1).

Business Systems

Provides solution development and business analysis services in support of the City's core information systems.

✓ Achievements

Implemented online development applications with reporting for Statutory Planning

Implemented timesheet and rostering system (EMPLive) for Cockburn ARC

Implemented e-Property services using SecurePay for payment

Implemented new InfoCouncil Council agenda management software

Developed requirements for new marina management software

Major upgrades to Links, IntelliLeisure systems

Implemented internal building referral system for building applications

Made further upgrades to the City's website.

Geographic Information Systems (GIS) Services

Deliver the support, maintenance and development of GIS systems and datasets that provide stakeholders with the tools to analyse, visualise and explore corporate location based information.

✓ Achievements

Performed a review of existing Geographical Information System with a recommendation to change to a new system

Implemented a system to detect swimming pools using remote sensing

Implemented GPS and cameras in waste trucks, rangers and youth vehicles

Assisted with third bin roll out by determining lot sizes

Upgraded existing map control systems.

Records Services

Provide a high standard of technologically advanced records management services to support the governing functions of Council.

✓ Achievements

All current employee files digitised and hard copies transferred to the City's offsite storage provider

Completed Stage 1 of the Knowledge Management project

Implemented compulsory online records management training for supervisors/managers

Developed and implemented a Data Migration Policy

Developed and implemented a Website Management Policy

Amended Recordkeeping Plan approved by the State Records Commission.

Recordkeeping Compliance

Evaluation of Recordkeeping Systems

The City of Cockburn's amended Recordkeeping Plan was approved by the State Records Commission on 24 October 2017 for a period of five years.

A review of the City's Records Management Policy was undertaken and the updated Policy was adopted by Council. The supporting Employee Recordkeeping Guidelines were also reviewed and approved by the Chief Executive Officer.

As part of the City of Cockburn's internal audit program, the City's records management practices were audited with the resulting audit report highlighting that improvements had been made over the past 12 to 18 months.

Recordkeeping Training and Induction Program

All new staff are required to undertake an online Records Awareness Training (RAT) course. The interactive course outlines the recordkeeping roles and responsibilities of all employees at the City of Cockburn. Participants must undertake and pass a short assessment at the completion of the course. Employees must then repeat the course every two years.

A new online course outlining the recordkeeping responsibilities of Managers/Supervisors has now been implemented and all senior employees have been enrolled.

Regular training for new and existing staff is also held on the use of the organisations electronic document and records management system called ECM.

Recordkeeping is highlighted during the corporate induction sessions that are run by the Human Resources team.

Evaluation of the Recordkeeping Training Program

All participants who attend ECM training are asked to complete a training feedback form. The feedback forms are regularly reviewed and suggestions for improvements are incorporated into the training program.

Financial Report

To view the City of Cockburn Annual Report 2018 **Financial Report** visit
www.cockburn.wa.gov.au/Council/About-Council/Strategic-Planning#annualreport



Above: Budgeting and Financial
Reporting Services

Right: Procurement Services



9 Coleville Crescent, Spearwood WA 6163
PO Box 1215, Bibra Lake DC WA 6965
P 08 9411 3444 F 08 9411 3333

cockburn.wa.gov.au



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City of Cockburn
ANNUAL REPORT 2018
Financial Report



cockburn.wa.gov.au

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Understanding the Financial Statements

Introduction

The Financial Statements show how the Council performed financially during the 2017/18 financial year and presents the financial position as at the 30th June 2018.

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

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

What is contained in the Financial Statements?

Council's Financial Statements has two sections, namely:

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

There are five (5) principal Financial Statements and thirty eight (38) Notes to the Accounts. These are prepared by Council staff, audited by an independent Auditor, presented to Council's Audit Committee and then accepted by full Council as part of the Annual Report.

The five Principal Financial Statements comprise the following:

- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Comprehensive Income
- Cash Flow Statement
- Rate Setting Statement

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

Statement of Financial Position

This statement is a snap shot of the financial position of the Council as at 30 June 2018. It shows what Council owns as assets and what it owes as liabilities. The bottom line of this statement is the net assets and is equivalent to the net worth of the Council that has built up since inception.

The assets and liabilities are separated into those that are Current and Non Current. Current means those assets and liabilities, which are likely to be consumed or

extinguished within the next 12 months. Non Current refers to assets and liabilities with an economic life extending beyond 12 months.

Statement of Changes in Equity

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

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

Statement of Comprehensive Income

The Statement of Comprehensive Income shows:

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

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

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

Cash Flow Statement

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

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

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

- Operating activities
- Investing activities – this term relates to assets such as infrastructure, plant, land and other long-term revenue producing assets.
- Financing activities – this is used to record the receipt and repayment of external financing such as loans and leases.

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

Rate Setting Statement

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

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

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

Notes to the Accounts

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

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

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

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

Auditor's Report & CEO's Statement

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

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

Discussion and Analysis of the Financial Statements

Statement of Comprehensive Income

Operating Result (before Non-Operating Activities)

The City's operating result for 2018 came in at \$6.5m, up \$2.1m on the previous year. Operating expenditure increased by 4.8% versus an increase of 6.1% in operating revenue. This is a strong financial result, as it demonstrates the City generates more than enough revenue to cover its costs, inclusive of depreciation on assets.

Overall, operating revenues of \$148.1m were up \$8.6m from last year. The main contributors were revenue from rates up \$3.2m (3.4%) and fees and charges up \$6.3m (28.4%). Fee income was up mainly due to the impact of the Cockburn ARC, which added an extra \$7.7m to recreation income. Revenue from planning and building approvals was down a combined \$0.5m year on year due to lower development and building activity. Operating grants were down year on year by \$0.9m. However, this was due to the accounting treatment effect of the decision of the federal government to pay half of the 2017-18 allocation of Financial Assistance Grants in 2016-17 but only a quarter of the 2018-19 allocation in the 2017-18 year.

Operating expenses for the year were up by \$6.5m (4.8%) to \$141.6m. Employee costs, the City's biggest operational expense item, were up \$2.4m (4.7%) to \$54.5m with the first full year of operating the Cockburn ARC impacting the increase by \$2.0m. There were also some reductions in the Roads and Civic Support teams salary costs due to restructures.

Spending on materials and contracts was up 2.8% to \$38.7m (+\$1.0m) with the biggest impact coming from the Cockburn ARC (+\$1.6m) and to a lesser extent, Information Technology (+\$0.4m). Reductions in waste collection (\$0.8m) and the absence of the triennial GRV revaluation from last year (\$0.5m) limited the overall increase in spending.

Insurance expenses came in at \$1.1m (45.9%) under last year's at \$1.3m. This included prior year performance related rebates of \$0.6m (including \$0.03m from the Insurance Commission) and a restructure of the workers compensation risk premium model reducing premiums by a further \$0.5m.

Interest expenses reduced from \$0.96m to \$0.73m as principal continues to be repaid against borrowings for the Cockburn ARC facility.

Depreciation expense (non-cash) increased by 10.1% to \$30.2m (+\$2.8m). This reflected increased depreciation on IT related assets of \$0.7m from new website and growing CCTV network, extra building depreciation of \$0.6m from additional building assets commissioned, an extra \$0.3m in plant depreciation due to a growing plant pool and \$0.6m higher roads infrastructure depreciation.

Net Result

Including non-operating activities, the City's net result (before asset revaluations) was down \$39.2m (54.5%) on the previous year to \$32.7m, despite the operating result contributing an extra \$2.1m. The major reason for this fall in result was a reduction in gifted assets of \$50.5m due to the once-off take up of marina assets totalling \$54.3m in 2016-17. This was slightly offset by a \$3.5m increase to \$11.9m in developer gifted subdivision infrastructure assets for 2017-18. There was also a reduction in the City's book equity in the SMRC of \$5.7m, primarily due to the City's withdrawal from the RRRC.

Profit from the sale of assets was down \$5.1m, primarily due to lower realised land sales in 2017-18, whilst capital grants and contributions of \$11.4M were little changed on last year.

On the plus side, developer contribution scheme revenue of \$8.7m was up \$3.1m. Also, the absence of the previous year's impairment of the SLLC contributed \$3.2m to this year's result, as did the absence of last year's gifted asset to the Fremantle Football Club of \$13.3m.

Statement of Financial Position

The City's net assets and total equity increased year on year by \$52.5m from \$1,162.8m to \$1,215m. This reflected an increase in total assets of \$51.9m, comprising current assets (+\$20.2m) and non-current assets (+\$31.7m). There was also a small decrease in total liabilities of \$0.6m, comprising current liabilities (+\$1.3m) and non-current liabilities (-\$1.9m).

Assets

The year on year increase in current assets of \$20.2m to \$147.2m included \$24.8m more in cash and cash equivalents, reflecting the greater amount held in financial reserves. The current financial asset amount of \$3.8m was extinguished, as the CBA Zero Coupon bond for \$4.0m was fully repaid during the year.

The increase in non-current assets of \$31.7m to \$1,124m comprised a net increase of \$7.8m in the value of property, plant & equipment (PPE) and an increase of \$29.8m in infrastructure assets. These were partially offset by the \$5.7m fall in joint venture interests due to the RRRC withdrawal.

Infrastructure assets included gifted subdivision assets of \$11.9m, annual revaluation increments totalling \$19.8m and a capitalised spend of \$18.8m. This was reduced by depreciation of \$20.7m booked for the year.

PPE assets included \$19.5m of capitalised spend (\$13.1m for buildings), less \$1.3m in disposals (mainly plant items) and \$10.5m of booked depreciation for the year.

Liabilities

Current liabilities increased year on year by \$1.3m to \$19.7m, with trade & other payables increasing by \$1.1m. Current leave provisions had a modest increase of \$0.1m to \$6.7m, demonstrating sufficient control over outstanding leave.

Non-current liabilities reduced by \$1.9m from last year, with loan borrowings paid down by \$2.5m to \$17.5m and non-current provisions increasing by \$0.6m to \$19.5m, due to the landfill site rehabilitation provision increasing by \$0.5m to \$17.5m.

Changes in Equity

Cash backed reserves held by the City increased by a net \$13.5 to \$119.0m during the reporting year. A total of \$37.8m was transferred into reserves during the year with \$2.2m of this coming from investment earnings. Drawdowns from reserves were \$24.3m, with another \$12.1m carried forward into 2018-19 for unfinished works.

The Asset Revaluation Surplus increased by \$19.8m to \$523.3m as a result of the annual management valuation of roads, drainage and footpath assets, with roads increasing by \$14.9m, drainage by \$4.3m and footpaths by \$0.6m. Parks infrastructure was not revalued in 2017-18.

The City's accumulated surplus increased by \$19.2m to \$572.9m. This represented the \$32.7m net surplus result, less the \$13.5m net transfer of funds into financial reserves.

Statement of Cash Flows

The City's net incoming cash flows from operating activities increased by \$13.7m to \$40.7m for the reporting year. This indicates strong operating cash flows allowing the City to continue funding new assets and asset renewals and upgrades as planned.

Cash outlaid on capital spending was down \$30.5m on last year, due to the completion of the Cockburn ARC project and several significant projects being carried forward into 2017-18.

Cash flows from grants and contributions received for the development of assets increased from \$16.7m to \$24.1m, with an extra \$3.1m cash received from developer contribution schemes and \$4.2m from capital grants. Cash received from the sale of assets was well down from \$12.5m to \$1.6m, as no land sales were transacted during 2017-18.

The City repaid \$2.5m of outstanding borrowings for the Cockburn ARC. This was down on the \$3.2m paid the previous year that included the early repayment of the emergency services building self-funding loan at the request of DFES.

Cash and cash equivalents increased during the reporting year by \$24.8m to \$138.7m, representing the extra funds being held for financial reserves and for unfinished works carried forward.

Rate Setting Statement

This statement shows the most complete view of the City's financial performance for 2018 and determines the municipal budget surplus.

The City's closing funds at 30 June 2018 were \$11.9m, up \$5.3m against the previous year. \$9.5m of the closing funds is unspent monies required to complete carried forward works and projects. The remaining balance of \$2.4m represents

uncommitted funds carried forward into the next year. In setting the 2018-19 budget, an estimated \$2.0m in uncommitted funds was allowed for.

The total amount raised from general rates was up \$3.3m (3.4%) from last year to \$99.6m and includes development growth in the City's rating base as well as the adopted increase of 1.75%. This result came in \$0.38m under the adopted budget target.

The rate setting statement also includes the spending on capital works and projects, with a total spend of \$38.3m versus the adopted budget target of \$48.7m (excludes carried forwards). This was also lower against the \$68.8m spend in 2016-17, which included the final spending on the Cockburn ARC construction project.

Financial Ratios

The WA Local Government (Financial Management) Regulations 1996 prescribe seven financial ratios that are to be included in the annual financial report. These ratios are also used by the Department of Local Government & Communities (DLGC) as a measurement of a local government's overall financial health. They form the basis of calculations used for the Financial Health Indicator (FHI) displayed on the MyCouncil website.

RATIO	2018	2017	Benchmark	High
Current Ratio	1.479	1.432	1.00	1.50
Asset Sustainability Ratio	0.705	1.442	0.90	1.20
Debt Service Ratio	10.370	9.533	2.00	5.00
Operating Surplus Ratio	0.008	0.078	0.01	0.15
Own Source Revenue Ratio	0.957	0.971	0.40	0.90
Asset Consumption Ratio	0.691	0.689	0.50	0.75
Asset Renewal Funding Ratio	0.707	0.729	0.75	1.10
Financial Health Indicator	78	93		

Four of the ratios are well above the DLGC benchmark, with two exceeding the high ratio mark (those in bold). The Asset Renewal Funding Ratio (comparing LTFFP planned renewal spend against requirements in AMP's) is only slightly below benchmark as is the Operating Surplus Ratio.

The results from these seven ratios combine to produce an FHI score for the City of 78 (compared to 93 last year). This result has dipped on last year because of two main issues. The withdrawal from the RRRC waste management project required a net equity write-off, adversely impacting the Operating Surplus Ratio. Excluding this item, an FHI score of 83 would be achieved. Also, the Asset Sustainability Ratio has fallen below the benchmark this year, as it lost the positive impact previously delivered by the Cockburn ARC 'renewal' capital spending. This ratio will fluctuate in line with the mix of new versus renewal capital projects delivered each year.

Despite these impacts, the City's result is still above the benchmark result of 70 that indicates sound financial health (as defined by the Department of Local Government, Sport & Cultural Industries).

City of Cockburn
Financial Report
For the year ended 30 June 2018

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

Statement by Chief Executive Officer

The attached financial report of the City of Cockburn for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the City of Cockburn at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 15th day of November 2018



D Green
Chief Executive Officer (Acting)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the City of Cockburn

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Cockburn which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Cockburn:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2018 and its financial position at the end of that period 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 of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that 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 and 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 Responsibility for the Audit of 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:
 - a. The officer sending communications to the City's investment advisor, instructing them to make investments, has not been delegated with authority to issue these instructions, and there was no other approval of the instructions.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the City for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 21 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Cockburn for the year ended 30 June 2018 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
27 November 2018

City of Cockburn
Financial Report

Statement of Comprehensive Income

By Nature and Type

For the Year Ended 30 June 2018

	Notes	Actual 2017/18 \$	Budget 2017/18 \$	Actual 2016/17 \$
OPERATING REVENUE				
Rates	23a	99,600,112	99,981,449	96,337,163
Specified Area Rates	23b	408,143	330,000	312,936
Fees and Charges	26	28,700,746	26,710,305	22,353,295
Service Charges		-	-	440,700
Operating Grants and Subsidies	25	12,800,692	11,382,351	13,752,463
Contributions, Donations and Reimbursements		1,561,499	1,145,461	1,203,429
Interest Earnings	2	5,066,912	4,742,968	5,157,532
Total Operating Revenue		148,138,103	144,292,534	139,557,517
OPERATING EXPENDITURE				
Employee Cost		(54,561,331)	(53,776,279)	(52,132,049)
Materials and Contracts		(38,763,925)	(38,835,827)	(37,709,273)
Utilities		(5,142,827)	(5,227,818)	(4,748,358)
Interest Expenses	2a	(726,777)	(816,699)	(966,490)
Insurances		(1,322,018)	(2,228,200)	(2,444,985)
Other Expenses	2a	(8,996,907)	(9,006,798)	(7,810,268)
Depreciation on Non Current Assets	2a	(30,241,974)	(28,299,179)	(27,465,498)
Provision for Site Rehabilitation	13	(505,193)	-	(490,620)
Amortisation on Landfill Infrastructure	2	(1,390,921)	(1,120,764)	(1,391,018)
Total Operating Expenditure		(141,651,872)	(139,311,564)	(135,158,559)
Increase/(Decrease)		6,486,231	4,980,970	4,398,958
NON-OPERATING ACTIVITIES				
Non-Operating Grants, Subsidies and Contributions	25	11,455,693	11,336,931	11,063,443
Developers Contributions Plans: Cash		8,734,325	6,017,736	5,631,840
Gifted Subdivision Assets	9b, 10b	12,168,364	-	62,676,020
Increase/(Decrease) in Equity - Joint Venture	17	(5,669,422)	-	499,833
Other		(74)	-	(2,718)
Assets Gifted to Other Parties	4b	(741,058)	-	(14,566,385)

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*City of Cockburn
Financial Report*

	Notes	Actual 2017/18	Budget 2017/18	Actual 2016/17
		\$	\$	\$
Impairment Charge - Buildings	9b	-	-	(3,200,000)
Profit on Sale of Assets	20b	474,814	1,763,103	5,684,213
Loss on Sale of Assets	20b	(190,288)	(201,388)	(271,825)
Total Non-Operating Activities		26,232,353	18,916,382	67,514,422
NET RESULT		32,718,585	23,897,352	71,913,380
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	15	19,821,682	-	(71,904,359)
Total Other Comprehensive Income		19,821,682	-	(71,904,359)
TOTAL COMPREHENSIVE INCOME		52,540,267	23,897,352	9,021

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

City of Cockburn
Financial Report

Statement of Comprehensive Income

By Program

For the Year Ended 30 June 2018

	Actual 2017/18	Budget 2017/18	Actual 2016/17
Notes	\$	\$	\$
REVENUES			
Revenue From Ordinary Activities			
General Purpose Funding	109,115,819	109,231,923	108,691,413
Governance	261,058	120,640	165,070
Law Order & Public Safety	923,561	672,922	999,756
Health	344,738	325,500	336,647
Education & Welfare	9,771,219	8,584,833	8,886,134
Community Amenities	9,862,148	10,902,671	9,937,578
Recreation & Culture	12,568,328	8,696,360	4,300,089
Transport	408,296	245,000	219,702
Economic Services	1,825,077	2,160,650	2,045,897
Other Property & Services	3,057,859	3,352,035	3,975,230
TOTAL OPERATING REVENUES	148,138,103	144,292,534	139,557,517
EXPENSES			
General Purpose Funding	(1,524,697)	(1,465,566)	(1,854,910)
Governance	(10,379,245)	(10,913,154)	(9,950,052)
Law Order & Public Safety	(6,776,487)	(6,681,452)	(6,335,833)
Health	(2,293,065)	(2,413,705)	(2,340,611)
Education & Welfare	(15,647,106)	(15,567,653)	(15,231,102)
Community Amenities	(33,718,646)	(32,461,019)	(33,210,050)
Recreation & Culture	(38,635,086)	(36,070,096)	(33,531,641)
Transport	(26,895,201)	(27,373,551)	(26,399,596)
Economic Services	(2,732,097)	(2,881,815)	(2,618,309)
Other Property & Services	(3,050,242)	(3,483,553)	(3,686,454)
Total Operating Expenditure	(141,651,872)	(139,311,564)	(135,158,559)
Increase/(Decrease)	6,486,231	4,980,970	4,398,958
NON-OPERATING GRANTS/CONTRIBUTIONS TOWARDS ASSETS: CASH			
General Purpose Funding	3,300,000	3,385,557	4,136,093

*City of Cockburn
Financial Report*

		Actual 2017/18	Budget 2017/18	Actual 2016/17
	Notes	\$	\$	\$
Governance		490,681	-	2,082,135
Law Order & Public Safety		-	-	706,195
Education & Welfare		-	-	200,000
Community Amenities		929,634	300,000	(5,433,663)
Recreation & Culture		8,596,708	10,728,720	930,356
Transport		4,271,772	5,345,374	10,272,804
Other Property & Services		2,601,223	(2,404,984)	3,801,362
		20,190,018	17,354,667	16,695,283
Gifted Subdivision Assets	9b, 10b	12,168,364	-	62,676,020
Assets Gifted to Other Parties	4b	(741,058)	-	(14,566,385)
Increase/(Decrease) in Equity - Joint Venture	17	(5,669,422)	-	499,833
Other		(74)	-	(2,718)
Impairment Charge - Buildings	9b	-	-	(3,200,000)
PROFIT/(LOSS) ON DISPOSAL OF ASSETS				
Law Order & Public Safety	20b	-	-	30,625
Education & Welfare	20b	-	13,000	31,800
Recreation & Culture	20b	(190,288)	-	(271,825)
Transport	20b	324,100	(123,892)	309,263
Other Property & Services	20b	150,715	1,672,607	5,312,525
		6,042,335	1,561,715	5,412,388
NET RESULT		32,718,585	23,897,352	71,913,380
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	15	19,821,682	-	(71,904,359)
Total Other Comprehensive Income		19,821,682	-	(71,904,359)
TOTAL COMPREHENSIVE INCOME		52,540,267	23,897,352	9,021

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

City of Cockburn
Financial Report

Statement of Financial Position

As at 30 June 2018

		Actual 2017/18	Actual 2016/17
	Notes	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	3	138,691,393	113,819,242
Financial Assets	4	-	3,841,492
Trade & Other Receivables	6	8,240,088	8,471,749
Other Assets	7	282,233	911,565
Inventories	8	35,600	21,782
Total Current Assets		147,249,315	127,065,830
NON CURRENT ASSETS			
Financial Assets	4	1,145,550	1,202,453
Interests in Joint Ventures	5	923,569	6,592,991
Trade & Other Receivables	6	958,125	858,657
Property, Plant and Equipment	9	336,010,448	328,223,270
Infrastructure	10	769,939,931	740,089,224
Rehabilitation Assets	11	15,905,773	16,211,653
Total Non Current Assets		1,124,883,395	1,093,178,248
TOTAL ASSETS		1,272,132,710	1,220,244,078
CURRENT LIABILITIES			
Trade & Other Payables	12a	10,516,264	9,381,006
Borrowings	12b	2,500,000	2,500,000
Provisions	13	6,730,946	6,596,413
Total Current Liabilities		19,747,210	18,477,419
NON CURRENT LIABILITIES			
Borrowings	12b	17,500,000	20,000,000
Provisions	13	19,536,167	18,957,592
Total Non Current Liabilities		37,036,167	38,957,592
TOTAL LIABILITIES		56,783,377	57,435,012
NET ASSETS		1,215,349,333	1,162,809,067

*City of Cockburn
Financial Report*

		Actual 2017/18	Actual 2016/17
	Notes	\$	\$
EQUITY			
Accumulated Surplus		572,943,223	553,757,996
Reserves - Cash/Investment Backed	14	119,056,427	105,523,070
Revaluation Surplus	15	523,349,683	503,528,001
TOTAL EQUITY		1,215,349,333	1,162,809,067

The Statement of Financial Position should be read in conjunction with the accompanying notes.

*City of Cockburn
Financial Report*

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Accumulated Surplus \$	Reserves (Note 14) \$	Revaluation Surplus (Note 15) \$	Total Equity \$
Balance as at 1 July 2016	460,767,729	126,599,957	575,432,360	1,162,800,045
Net Result	71,913,380	-	-	71,913,380
Other Comprehensive Income	-	-	(71,904,359)	(71,904,359)
Total Comprehensive Income	71,913,380	-	(71,904,359)	9,021
Transfer (from)/to Reserves	21,076,887	(21,076,887)	-	-
Balance as at 30 June 2017	553,757,996	105,523,070	503,528,001	1,162,809,067
Net Result	32,718,585	-	-	32,718,585
Other Comprehensive Income	-	-	19,821,682	19,821,682
Total Comprehensive Income	32,718,585	-	19,821,682	52,540,267
Transfer (from)/to Reserves	(13,533,357)	13,533,357	-	-
Balance as at 30 June 2018	572,943,223	119,056,427	523,349,683	1,215,349,333

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

City of Cockburn
Financial Report

Statement of Cash Flows

For the Year Ended 30 June 2018

		Actual 2017/18	Budget 2017/18	Actual 2016/17
	Notes	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee Cost		(54,353,417)	(53,784,023)	(50,886,542)
Materials and Contracts		(38,615,499)	(50,061,647)	(51,794,610)
Utilities		(5,142,827)	(5,227,818)	(4,748,358)
Interest Paid		(726,777)	(816,699)	(966,490)
Insurances		(1,322,018)	(2,228,200)	(2,444,985)
Other Expenses		(8,996,907)	(9,006,798)	(7,810,268)
GST on Payments		(6,989,766)	-	(13,367,790)
		(116,147,211)	(121,125,184)	(132,019,043)
Receipts				
Rates & Specified Area Rates		99,948,077	100,311,449	96,076,683
Fees and Charges		28,876,540	29,544,244	27,947,790
Service Charges		-	-	440,700
Contributions, Donations and Reimbursements		1,561,499	1,145,461	1,203,429
Interest Received		4,796,061	4,742,968	4,882,964
Grants & Subsidies - Operating		12,800,692	11,882,351	13,752,463
Other Revenue/Income		422,812	-	597,526
GST on Receipts		967,807	-	3,648,584
GST Refunded by ATO		7,488,923	7,849,195	10,426,932
		156,862,410	155,475,668	158,977,070
NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	16a	40,715,198	34,350,483	26,958,027
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale on Non Current Assets	20b	1,651,090	3,578,000	12,503,975
Purchase Furniture and Equipment		(414,049)	(509,000)	(1,758,457)
Purchase Computer Equipment		(1,340,778)	(2,197,915)	(943,781)
Purchase & Construction of Infrastructure Assets		(18,839,953)	(24,232,228)	(23,927,732)
Purchase Plant and Machinery		(3,967,809)	(3,992,000)	(7,925,137)

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		Actual 2017/18	Budget 2017/18	Actual 2016/17
	Notes	\$	\$	\$
Purchase & Development of Land		(674,483)	(110,000)	(836,966)
Purchase & Construction of Buildings		(13,104,344)	(17,664,000)	(33,399,309)
Gifted Subdivision Assets		-	-	-
Capital Grants, Subsidies & Contributions		11,455,693	17,354,667	11,110,713
Developer Contribution - Cash		8,734,325	-	5,631,840
Assets Gifted to Other Parties		(741,058)	-	(14,566,385)
Proceeds from Sale of Maturing Investments		3,898,320	-	-
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(13,343,047)	(27,772,476)	(54,111,239)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net receipts/(refund) of bonds		-	-	(5,761,532)
Loan Principal Repayment		(2,500,000)	(2,597,176)	(3,243,174)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(2,500,000)	(2,597,176)	(9,004,706)
Net Increase/(Decrease) In Cash during year		24,872,152	3,980,831	(36,157,918)
Cash & Cash Equivalents at Beginning of Reporting Period		113,819,242	110,016,310	149,977,159
CASH & CASH EQUIVALENTS AT END OF REPORTING PERIOD	3,16b	138,691,393	113,997,141	113,819,242

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

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Rate Setting Statement

For the Year Ended 30 June 2018

		Actual 2017/18	Budget 2017/18	Actual 2016/17
	Notes	\$	\$	\$
Operating Revenue				
Specified Area Rates	23b	408,143	330,000	312,936
Fees & Charges	26	28,700,746	26,710,305	22,353,295
Service Charges		-	-	440,700
Operating Grants & Subsidies	25	12,800,692	11,382,351	13,752,463
Contributions, Donations, Reimbursements		1,561,499	1,145,461	1,203,429
Interest Earnings	2a	5,066,912	4,742,968	5,157,532
Profit on Sale of Assets	20b	474,814	1,763,103	5,684,213
Total Operating Revenue		49,012,806	46,074,188	48,904,567
Operating Expenditure				
Employee Costs		(54,561,331)	(53,776,279)	(52,132,049)
Materials and Contracts		(38,763,925)	(38,835,827)	(37,709,273)
Utilities		(5,142,827)	(5,227,818)	(4,748,358)
Interest Expenses	22	(726,777)	(816,699)	(966,490)
Insurances		(1,322,018)	(2,228,200)	(2,444,985)
Other Expenses		(8,996,907)	(9,006,798)	(7,810,268)
Loss on Sale of Assets	20b	(190,288)	(201,388)	(271,825)
Depreciation on Non Current Assets	2a	(30,241,974)	(28,299,179)	(27,465,498)
Provision for Site Rehabilitation	13	(505,193)	-	(490,620)
Amortisation on Non Current Assets	10b, 11	(1,390,921)	(1,120,764)	(1,391,018)
Total Operating Expenditure		(141,842,160)	(139,512,952)	(135,430,383)
Change in Net Assets Resulting from Operations before Rates		(92,829,354)	(93,438,764)	(86,525,816)
Adjustments for Cash Budget Requirements:				
Profit on Sale of Assets	20b	(474,814)	(1,763,103)	(5,684,213)
Loss on Sale of Assets	20b	190,288	201,388	271,825
Depreciation on Non Current Assets	2a	30,241,974	28,299,179	27,465,498
Provision for Site Rehabilitation	13	505,193	-	490,620
Amortisation on Non Current Assets	10b, 11	1,390,921	1,120,764	1,391,018
Movement in Non-Current Employee Benefit Provisions	13	73,381	-	74,982

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		Actual 2017/18	Budget 2017/18	Actual 2016/17
	Notes	\$	\$	\$
Movement in Deferred Pensioners	6	(99,468)	-	(119,806)
		31,827,475	27,858,228	23,889,923
Capital Expenditure and Revenue				
Purchase of Land	9b	(674,483)	(110,000)	(836,966)
Purchase of Buildings	9b	(13,104,344)	(17,664,000)	(33,399,309)
Purchase of Plant and Machinery	9b	(3,967,809)	(3,992,000)	(7,925,137)
Purchase of Furniture and Equipment	9b	(414,049)	(509,000)	(1,758,457)
Purchase of Computer Equipment	9b	(1,340,778)	(2,197,915)	(943,781)
Construction of Roads Infrastructure	10b	(10,208,029)	(11,769,788)	(14,500,745)
Construction of Drainage Infrastructure	10b	(794,477)	(1,000,000)	(536,058)
Construction of Footpath Infrastructure	10b	(876,253)	(1,180,440)	(925,121)
Construction of Parks Hard Infrastructure	10b	(6,752,793)	(8,592,000)	(7,709,222)
Construction of Parks Soft Infrastructure		-	(1,500,000)	-
Construction of Refuse Site Infrastructure	10b	(208,401)	(190,000)	(256,587)
Proceeds on Sale of Assets	20b	1,651,090	3,578,000	12,503,975
Contributions/Grants for the development of Assets	25	11,455,693	11,336,931	11,063,443
Net Movement in Gifted Assets	4b	(741,058)	-	(14,566,385)
Developer Contribution Plans - Cash		8,734,325	6,017,736	5,631,840
Repayment of Loans	22	(2,500,000)	(2,597,176)	(3,243,173)
Transfers from Reserves (Restricted Assets)	14	24,280,163	19,082,533	82,296,608
Transfers to Reserves (Restricted Assets)	14	(37,813,519)	(25,599,306)	(61,219,722)
		(33,274,723)	(36,886,425)	(36,324,796)
NET		(94,276,603)	(102,466,962)	(98,960,689)
Add: Opening Funds	38	6,643,985	2,500,000	9,267,511
Less: Closing Funds	38	11,967,494	14,487	6,643,985
Amount Required to be Raised from Rates		(99,600,112)	(99,981,449)	(96,337,162)

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

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Notes to and Forming Part of the Accounts

1. Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

a. Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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 report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates

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

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

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

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Notes to and Forming Part of the Accounts

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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

b. 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.

c. Cash and Cash Equivalents

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

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

d. Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

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Notes to and Forming Part of the Accounts

e. Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

f. Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations 1996* were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2017 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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Notes to and Forming Part of the Accounts

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

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

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Depreciation of Non-Current Assets

The depreciation amount of all fixed assets including buildings but excluding freehold land, are depreciated on straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated

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over the shorter of either the unexpired period of the lease or the estimated life of the improvements.

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

- 1) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- 2) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation is recognised over the asset's useful life, as follows:

Property, Plant and Equipment

Buildings (Components)	30-50 years
Furniture and Equipment	3-10 years
Computer Equipment	3-5 years
Plant & Machinery	3-10 years

Infrastructure Assets

Infrastructure – Footpaths	20-50 years
Infrastructure – Drainage	30-75 years
Infrastructure – Roads: Surface	15-25 years
Infrastructure – Roads: Base	50-80 years
Infrastructure – Roads: Sub-Base	80-100 years
Infrastructure – Roads: Kerbing	20-50 years
Infrastructure – Bridges	30-50 years
Infrastructure – Parks Equipment	10-30 years
Infrastructure – Marina	20-100 years
Infrastructure – Landfill	10-80 years
Bus Shelters	15-40 years

Capitalisation Threshold

Asset Class	\$
Land	-
Buildings	-
Furniture & Equipment / Computer Equipment	5,000
Plant & Machinery	5,000
Infrastructure Assets	5,000
Software	100,000

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

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Notes to and Forming Part of the Accounts

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

Gains 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.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) The amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

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Notes to and Forming Part of the Accounts

ii) Loans and receivables

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

iii) Held-to-maturity investments

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

iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

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Notes to and Forming Part of the Accounts

Subsequent measurement

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

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

Impairment

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

h. Fair Value of Assets and Liabilities

When performing a revaluation, the City uses a mix of both independent and management valuations using the following as a guide:

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

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

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

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Notes to and Forming Part of the Accounts

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.

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

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

Market approach

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

Income approach

Valuation techniques that use 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 an asset at its current service capacity.

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Notes to and Forming Part of the Accounts

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 and 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.

As detailed above, the mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations 1996* requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

i. Impairment of Assets

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

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

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

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

j. Trade and Other Payables

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

k. Employee Benefits

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

Short-term employee benefits

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Notes to and Forming Part of the Accounts

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

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position. Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

I. Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying

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asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

m. Provisions

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

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

n. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

o. Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(p) for a description of the equity method of accounting.

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Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

p. Investment in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

q. Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

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r. Superannuation

The Council is a member of the Western Australian Local Government Superannuation Plan (WALGSP). This is a Defined Contributions Plan and Council contributes at the rate of 10.5% for the Superannuation Guarantee Charge, plus additional matching contributions of up to 4% where agreed.

s. Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are displayed rounded to the nearest dollar but summed to two decimal places.

t. Comparative Figures

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

u. Current and Non-Current Classification

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

v. Budget Information

Budget figures shown in the financial statements have been disclosed as per the legislative requirements. Where necessary, budget information has been recast to comply with current presentation requirements. 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.

w. New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

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Management's assessment of the new and amended pronouncements that are relevant to the City, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued / Compiled	Applicable⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it's not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this standard will depend on the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position

Notes: (1) Applicable to reporting periods commencing on or after the given date.

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when AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

	Title	Issued / Compiled	Applicable⁽¹⁾	Impact
(iv)	AASB105B Income of Not-for Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> • Assets received below fair value; • Transfers received to acquire or construct non-financial assets; • Grants received; • Prepaid rates; • Leases entered into at below market rates; and • Volunteer services

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.

Notes: (1) Applicable to reporting periods commencing on or after the given date.

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x. Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

- | | | |
|------|--|----------------|
| (i) | AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities. | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards – Deferral of AASB 15 for Non-for-Profit Entities. | 1 January 2017 |

y. Intangible Assets

Easements

The Council has determined that under AASB 138 Intangible Assets, easements are valued on an historical cost basis, because it is unlikely that an active market in easements exists to allow for fair value measurement. Due to acquisition of easements at NIL values, no easements have been included in the financial report.

z. Provision for Restoration, Rehabilitation and Site Monitoring Costs

The City complies with the full provision method for accounting provisions in respect of restoration, rehabilitation and site monitoring costs. Charges are made to expenses based on the estimated costs of restoring, rehabilitating and monitoring the landfill site. The rate charge is reviewed annually and is based on an estimated cost per tonne. The cost per tonne is arrived at after taking into account a standard engineering cost per cubic metre of landfill, the density of the waste and the most recent aerial surveys. Engineering rates differ according to the nature of the obligation to provide the service.

aa. Future capping Expenditure

The liability for estimated future capping expenditure is provided for through a rehabilitation provision on a phase-by-phase basis and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is also capitalised as part of the rehabilitation asset and is amortised on a straight-line basis. Changes in estimates are recognised prospectively with corresponding adjustments to the provision and associated costs.

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bb.Land Held for Resale

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

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

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2a. Revenue and Expenses

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
The net result includes:			
(i) CHARGING AS AN EXPENSE			
<u>Auditors Remuneration</u>			
Audit of financial statements	30,000	30,000	29,000
Audit of project - acquittals	883	10,445	13,332
	30,883	40,445	42,332
<u>Depreciation</u>			
Buildings	5,987,676	5,350,032	5,360,475
Plant and Machinery	3,221,086	2,999,255	2,872,152
Furniture Equipment	361,032	203,364	142,509
Computer Equipment	982,607	250,320	211,278
Infrastructure - Roads	11,069,610	11,087,508	10,735,077
Infrastructure - Drainage	2,532,594	2,524,704	2,444,452
Infrastructure - Footpaths	1,369,401	1,208,220	1,169,810
Infrastructure - Parks Equipment	3,772,152	3,701,592	3,583,931
Infrastructure - Marina	945,815	974,184	945,815
	30,241,974	28,299,179	27,465,498
<u>Amortisation</u>			
Infrastructure - Landfill	1,390,921	1,120,764	1,391,018
<u>Interest Expenses</u>			
Debentures (refer Note 22)	726,777	816,699	966,490
<u>Rental Charges</u>			
Operating Leases	933,245	761,793	606,372
<u>Other Expenses</u>			
Members Travelling Expenses	8,106	10,000	11,853
RRRC Funding Payment	1,667,547	1,658,623	1,574,225
Aust Perform Rights Assoc Fees	6,701	3,188	4,027
Contribution - ESL	-	55,900	55,660
Contribution - SMRC	751,044	140,064	331,760
Customer Refunds	-	-	6,683
Study Fees Contributed	64,414	90,000	76,723

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Notes to and Forming Part of the Accounts

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
Donations	1,033,690	1,338,250	984,928
Landfill Levy	3,569,403	3,778,615	2,989,955
Mayoral Allowance	88,864	88,864	81,459
Reimbursement - Management Agreements	-	6,100	-
Licensing Expenses	103,011	191,119	100,261
Deputy Mayoral Allowance	22,251	22,216	22,216
Contribution to Operating Costs	14,000	14,000	14,000
Waste Levy Offset – Gateways Landfill Charges	83,356	120,000	95,264
Public Liability Excess	-	-	6,036
Insurance Excess	20,325	-	-
ESL Levy - Council Properties	123,042	80,291	116,125
Vehicle to ESL - Free of Charge	-	-	30,625
Fuel Issues	779,482	770,206	757,056
Educator Service Fee Recoup	367,275	52,000	327,056
Parent Service Fee recoup	292,980	585,262	222,305
Minor Other Expenses	1,415	2,100	2,051
	8,996,907	9,006,798	7,810,268
(ii) CREDITING AS REVENUE			
Grants/Contributions towards Assets	11,455,693	11,336,931	11,063,443
Increase/(Decrease) in Equity - SMRC Joint Venture	(5,669,422)	-	499,833
<u>Interest Earnings</u>			
Interest received on Reserve Funds	2,258,709	1,829,128	2,329,289
Interest received on Other Funds	2,808,203	2,913,840	2,828,243
	5,066,912	4,742,968	5,157,532

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2b. Mission Statement

To make the City of Cockburn the most attractive place to live, work, visit and invest in, within the Perth metropolitan area.

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

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

General Purpose Funding

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

Governance

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

Law, Order And Public Safety

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

Health

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

Education and Welfare

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

Community Amenities

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

Recreation and Culture

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

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Transport

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

Economic Services

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

Other Property and Services

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

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Notes to and Forming Part of the Accounts

3. Cash & Cash Equivalents

	Actual 2017/18	Actual 2016/17
	\$	\$
Cash at Bank	762,182	2,896,742
Cash on Hand	29,212	22,500
Term Deposits	137,900,000	110,900,000
	138,691,393	113,819,242
Restricted	118,034,611	100,602,935
Unrestricted	20,656,782	13,216,307
	138,691,393	113,819,242
Cash/Investment Backed Reserves		
Council Funded	90,881,570	82,590,191
Externally Funded	12,141,558	9,424,250
Development Contribution Plans	16,033,299	13,508,629
Sub-total (refer note 14)	119,056,427	105,523,070
Less:		
Funds held in current & non-current investments (refer note 4)	(1,021,816)	(4,920,136)
	118,034,611	100,602,935
TOTAL RESTRICTED CASH	118,034,611	100,602,935

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Notes to and Forming Part of the Accounts

4a. Financial Assets

	Actual 2017/18	Actual 2016/17
CURRENT	\$	\$
Held to Maturity Investments maturing within 12 mths of reporting period (refer note 3)	-	3,841,492
NON CURRENT		
Held to Maturity Investments maturing later than 12 mths from reporting period (refer note 3).		
Mortgage-Backed securities	1,021,816	1,078,644
Available for Sale Financial Assets		
Investment in WALGA Local Government House Trust *	123,734	123,808
	<u>1,145,550</u>	<u>1,202,453</u>

All held to maturity Investments are restricted in nature (see note 3).

*) This note discloses the equity the City has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House.

The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Local Government House Unit Trust, 8 of which are held by the City of Cockburn.

4b. Assets Gifted to Other Parties

	Actual 2017/18	Actual 2016/17
	\$	\$
Public Open Space on Lot 8010 Spearwood Ave Beeliar - gifted to the State	351,750	-
Road Reserve on Lot 42-44 Frankland Ave - gifted to the State	330,000	-
Road Reserve on 12 Packham North Ocean Crescent - gifted to the State	59,308	-
Operation Centre sewerage infrastructure on and around 54 Wellard St - gifted to Water Corporation	-	1,295,940
A portion of Cockburn ARC - gifted to Fremantle Football Club	-	13,270,445
	<u>741,058</u>	<u>14,566,385</u>

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Notes to and Forming Part of the Accounts

5. Interests in Joint Ventures

	Actual 2017/18	Actual 2016/17
NON CURRENT	\$	\$
Joint Venture in SMRC	923,569	6,592,991
	923,569	6,592,991

Refer note 17 for further detail on SMRC Joint Venture

6. Trade & Other Receivables

	Actual 2017/18	Actual 2016/17
CURRENT	\$	\$
Rates Outstanding	2,082,764	2,122,054
Rubbish Charges Outstanding	88,904	92,994
Sundry Debtors	3,694,999	3,866,702
GST Receivable	525,731	813,159
Other Receivables	1,847,691	1,576,840
	8,240,088	8,471,749
NON CURRENT		
Rates Outstanding - Pensioners	958,125	858,657
	958,125	858,657

7. Other Assets

	Actual 2017/18	Actual 2016/17
CURRENT	\$	\$
Prepayments	282,233	911,565
	282,233	911,565

8. Inventories

	\$	\$
Fuel Depot	35,600	21,782
	35,600	21,782

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Notes to and Forming Part of the Accounts

9a. Property, Plant and Equipment

	Actual 2017/18	Actual 2016/17
	\$	\$
LAND		
At Independent Valuation 2017	82,632,800	82,632,800
Addition after Valuation	1,478,827	-
	84,111,627	82,632,800
BUILDINGS		
At Independent Valuation 2017	288,548,238	303,548,238
Addition after Valuation	3,985,124	-
LESS Disposal after Valuation	(190,288)	-
LESS Impairment	-	(3,200,000)
LESS Accumulated Depreciation	(77,223,053)	(83,035,377)
	215,120,020	217,312,860
FURNITURE AND EQUIPMENT		
At Management Valuation 2016	1,446,276	1,446,276
Addition after Valuation	2,377,186	1,739,036
LESS Accumulated Depreciation	(1,675,655)	(1,314,623)
	2,147,807	1,870,689
COMPUTER EQUIPMENT		
At Management Valuation 2016	1,330,150	1,330,150
Addition after Valuation	4,537,689	-
LESS Accumulated Depreciation	(1,713,998)	(731,391)
	4,153,841	598,759
PLANT AND MACHINERY		
At Management Valuation 2016	11,895,993	16,325,891
Addition after Valuation	11,892,946	7,925,137
LESS Accumulated Depreciation	(8,915,865)	(8,948,401)
	14,873,074	15,302,627
WORK IN PROGRESS		
At cost	15,604,079	10,505,535
	15,604,079	10,505,535

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	Actual 2017/18	Actual 2016/17
	\$	\$
TOTAL PROPERTY, PLANT AND EQUIPMENT		
Gross Book Value	425,539,019	425,453,062
LESS Impairment	-	(3,200,000)
LESS Accumulated Depreciation	(89,528,571)	(94,029,792)
NET BOOK VALUE	336,010,448	328,223,270

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A which requires property, plant and equipment to be shown at fair value.

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9b. Movements in Carrying Amounts – Property, Plant and Equipment

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

Asset Classification	Carrying amount at beginning of the year	Work in Progress Opening	add: Capital Spend 2017-18	add: Gifted Development Assets	add / (less) Revaluation increments/ (decrements)	less: Work in Progress Closing	less: Disposals & Write Offs	less: Impairment (Losses)/ Reversals	less: Depreciation	Carrying amount at end of the year
<u>2017/18</u>										
Freehold Land	82,632,800	804,344	674,483	-	-	-	-	-	-	84,111,627
Buildings	217,312,860	6,473,284	13,104,344	-	-	(15,592,502)	(190,289)	-	(5,987,676)	215,120,020
Furniture & Equipment	1,870,689	19,421	414,049	204,680	-	-	-	-	(361,032)	2,147,807
Computer Equipment	598,759	3,208,486	1,340,778	-	-	(11,576)	-	-	(982,607)	4,153,841
Plant & Machinery	15,302,627	-	3,967,809	-	-	-	(1,176,275)	-	(3,221,086)	14,873,074
Work in Progress	10,505,535	(10,505,535)	-	-	-	15,604,078	-	-	-	15,604,079
	328,223,270	-	19,501,463	204,680	-	-	(1,366,565)	-	(10,552,401)	336,010,448
<u>2016/17</u>										
Freehold Land	98,010,600	1,420,630	836,966	-	(11,284,737)	(804,344)	(5,546,315)	-	-	82,632,800
Buildings	125,484,173	71,587,940	33,399,309	1,691,000	456,022	(6,473,284)	(271,825)	(3,200,000)	(5,360,475)	217,312,860
Furniture & Equipment	274,162	-	1,758,457	-	-	(19,421)	-	-	(142,509)	1,870,689
Computer Equipment	810,037	2,264,706	943,781	-	-	(3,208,486)	-	-	(211,278)	598,759
Plant & Machinery	11,523,089	-	7,925,137	-	-	-	(1,273,447)	-	(2,872,152)	15,302,627
Work in Progress	75,273,276	(75,273,276)	-	-	-	10,505,535	-	-	-	10,505,535
	311,375,336	-	44,863,651	1,691,000	(10,828,715)	-	(7,091,587)	(3,200,000)	(8,586,414)	328,223,270

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10a. Infrastructure Assets

	Actual 2017/18	Actual 2016/17
	\$	\$
INFRASTRUCTURE - ROADS		
At Management Valuation 2018	594,938,786	-
At Management Valuation 2017	-	577,410,638
LESS Accumulated Depreciation	(228,675,503)	(225,730,964)
	366,263,283	351,679,674
INFRASTRUCTURE - DRAINAGE		
At Management Valuation 2018	261,722,434	-
At Management Valuation 2017	-	253,243,593
LESS Accumulated Depreciation	(50,014,407)	(49,114,423)
	211,708,027	204,129,170
INFRASTRUCTURE - FOOTPATHS		
At Management Valuation 2018	66,251,275	-
At Management Valuation 2017	-	65,378,280
LESS Accumulated Depreciation	(24,383,670)	(24,316,042)
	41,867,605	41,062,238
INFRASTRUCTURE - PARKS EQUIPMENT		
At Management Valuation 2017	71,471,710	71,471,710
Addition after Valuation	12,877,929	-
LESS Accumulated Depreciation	(29,039,205)	(25,267,053)
	55,310,434	46,204,657
LANDFILL INFRASTRUCTURE		
At Independent Valuation 2017	36,108,000	36,108,000
Addition after Valuation	107,177	-
LESS Accumulated Amortisation	(15,423,602)	(14,338,561)
	20,791,575	21,769,439
MARINA INFRASTRUCTURE		
At Independent Valuation 2016	52,608,256	52,608,256
LESS Accumulated Depreciation	(1,891,629)	(945,815)
	50,716,627	51,662,441
WORK IN PROGRESS		
At cost	23,282,380	23,581,605
	23,282,380	23,581,605

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	Actual 2017/18	Actual 2016/17
	\$	\$
TOTAL INFRASTRUCTURE ASSETS		
Gross Book Value	1,119,367,946	1,079,802,082
LESS Accumulated Depreciation	(349,428,016)	(339,712,858)
NET BOOK VALUE	769,939,931	740,089,224

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A which requires infrastructure to be shown at fair value.

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10b. Movements in Carrying Amounts – Infrastructure Assets

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

Asset Classification	Carrying amount at beginning of the year	Work in Progress Opening	add: Capital Spend 2017-18	add: Gifted Development Assets	less: Work in Progress Closing	add / (less) Revaluation increments/ (decrements)	less: Disposals & Write Offs	less: Depreciation/ Amortisation	Carrying amount at end of the year
<u>2017/18</u>									
Roads Infrastructure	351,679,674	10,572,494	10,208,029	5,883,687	(15,940,204)	14,929,212	-	(11,069,610)	366,263,283
Drainage Infrastructure	204,129,170	507,744	794,477	5,265,511	(795,719)	4,339,438	-	(2,532,594)	211,708,027
Footpaths Infrastructure	41,062,238	505,159	876,253	814,486	(574,161)	553,032	-	(1,369,401)	41,867,605
Parks Equipment	46,204,658	11,467,709	6,752,793	-	(5,342,574)	-	-	(3,772,152)	55,310,434
Landfill Infrastructure	21,769,439	528,499	208,401	-	(629,723)	-	-	(1,085,041)	20,791,575
Marina Infrastructure	51,662,441	-	-	-	-	-	-	(945,815)	50,716,627
Work in Progress	23,581,605	(23,581,605)	-	-	23,282,381	-	-	-	23,282,380
	740,089,225	-	18,839,953	11,963,684	-	19,821,682	-	(20,774,613)	769,939,931
<u>2016/17</u>									
Roads Infrastructure	410,433,627	12,428,713	14,500,745	4,135,423	(10,572,494)	(68,511,262)	-	(10,735,077)	351,679,674
Drainage Infrastructure	196,855,604	398,315	536,058	3,339,514	(507,744)	5,951,874	-	(2,444,452)	204,129,170
Footpaths Infrastructure	40,824,214	393,030	925,121	-	(505,159)	594,842	-	(1,169,810)	41,062,238
Parks Equipment	44,394,918	7,286,490	7,709,222	901,827	(11,467,709)	963,841	-	(3,583,931)	46,204,657
Landfill Infrastructure	22,823,280	378,147	256,587	-	(528,499)	(74,939)	-	(1,085,138)	21,769,439
Marina Infrastructure	-	-	-	52,608,256	-	-	-	(945,815)	51,662,441
Work in Progress	20,884,694	(20,884,695)	-	-	23,581,605	-	-	-	23,581,605
	736,216,337	-	23,927,732	60,985,020	-	(61,075,643)	-	(19,964,222)	740,089,224

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11. Rehabilitation Assets

	Actual 2017/18	Actual 2016/17
NON CURRENT		
Post closure rehabilitation assets	16,517,533	16,517,533
Less: Accumulated amortisation	(611,760)	(305,880)
	15,905,773	16,211,653

Movements in carrying amounts of post closure rehabilitation assets during the financial year are shown as follows.

	Actual 2017/18	Actual 2016/17
	\$	
Opening balance at 1 July	16,211,653	16,517,533
Increase / (decrease) in provision resulting from the remeasurement of the estimated future cash flows	-	-
Amortisation	(305,880)	(305,880)
Closing Balance at 30 June	15,905,773	16,211,653

12a. Trade & Other Payables

	Actual 2017/18	Actual 2016/17
CURRENT	\$	\$
Creditors	5,525,506	7,360,147
Accrued Expenses	2,748,371	1,380,819
Income Received in Advance	1,020,338	597,526
GST Payable	1,222,049	42,514
	10,516,264	9,381,006

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12b. Borrowings

	Actual 2017/18	Actual 2016/17
CURRENT	\$	\$
Fixed Loan (Western Australian Treasury Corporation) - Secured by charge over General Funds (Personal Property Security Act)	2,500,000	2,500,000
NON CURRENT		
Fixed Loan (Western Australian Treasury Corporation) - Secured by charge over General Funds (Personal Property Security Act)	17,500,000	20,000,000

Additional detail on borrowings is provided in Note 22.

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13. Provisions

	Actual 2017/18	Actual 2016/17
	\$	\$
CURRENT EMPLOYEE BENEFITS RELATED PROVISIONS		
Employees Annual Leave	2,967,798	2,984,332
Employees Long Service Leave	2,269,834	2,132,812
Employees On-Costs	1,493,314	1,479,270
	6,730,946	6,596,413
NON-CURRENT EMPLOYEE BENEFITS RELATED PROVISIONS		
Employees Long Service Leave	1,759,854	1,696,012
Employees On-Costs	262,967	253,427
	2,022,821	1,949,439
NON-CURRENT OTHER PROVISIONS		
Provision for Site Rehabilitation	17,513,346	17,008,153
	17,513,346	17,008,153
TOTAL PROVISIONS	26,267,113	25,554,006
ANALYSIS OF TOTAL PROVISIONS		
Current	6,730,946	6,596,413
Non-Current	19,536,167	18,957,592
	26,267,113	25,554,006

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Site Rehabilitation \$	Total \$
Opening balance as at 30 June 2017	4,144,905	4,400,947	17,008,153	25,554,006
Provisions made	1,823,874	318,420	505,193	2,647,487
Amounts used	(3,000,981)	(689,680)	-	(3,690,661)
Balance at 30 June 2018	2,967,798	4,029,688	17,513,346	24,510,832

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	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Site Rehabilitation \$	Total \$
Opening balance as at 30 June 2016	3,312,104	3,988,241	16,517,533	23,817,879
Provisions made	3,450,039	911,434	490,620	4,852,092
Amounts used	(2,617,238)	(498,727)	-	(3,115,965)
Balance at 30 June 2017	4,144,905	4,400,947	17,008,153	25,554,006

Annual Leave Liabilities

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:

	2017/18	2016/17
Within 12 months of the end of the reporting period	2,280,180	2,405,721
More than 12 months after the end of the reporting period	687,718	578,611
	2,967,798	2,984,332

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the City of Cockburn does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the City of Cockburn has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017/18	2016/17
Within 12 months of the end of the reporting period	2,609,004	2,451,508
More than 12 months after the end of the reporting period	1,420,684	1,377,316
	4,029,688	3,828,824

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The provision for long service leave is calculated at the present value as the City of Cockburn does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employee On-Cost Provision

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employees On-Costs' provision.

	2017/18	2016/17
Carrying amount at start of period	1,732,697	1,090,856
Additional (reversal of) provisions recognised	23,584	641,841
	<u>1,756,281</u>	<u>1,732,697</u>

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14. Reserves

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
1. Staff Payments & Entitlements			
Opening Balance	1,947,631	2,118,183	2,115,293
Transfer from Accumulated Surplus - Interest	35,725	45,068	45,778
Transfer from Accumulated Surplus	125,000	125,000	119,822
Transfer to Accumulated Surplus	(398,625)	(172,000)	(333,262)
	1,709,732	2,116,251	1,947,631
2. Plant & Vehicle Replacement			
Opening Balance	7,371,172	7,096,929	8,252,372
Transfer from Accumulated Surplus - Interest	184,817	105,975	165,730
Transfer from Accumulated Surplus	3,661,516	3,038,000	2,966,421
Transfer to Accumulated Surplus	(1,862,834)	(2,328,292)	(4,013,350)
	9,354,672	7,912,612	7,371,172
3. Information Technology			
Opening Balance	290,055	-	379,658
Transfer from Accumulated Surplus - Interest	5,035	8,082	7,747
Transfer from Accumulated Surplus	100,000	100,000	100,000
Transfer to Accumulated Surplus	(188,525)	(48,744)	(197,350)
	206,565	59,338	290,055
4. Major Building Refurbishment			
Opening Balance	11,573,486	11,482,745	9,828,567
Transfer from Accumulated Surplus - Interest	259,922	133,850	224,591
Transfer from Accumulated Surplus	1,500,000	1,500,000	1,620,328
Transfer to Accumulated Surplus	(240,000)	-	(100,000)
	13,093,407	13,116,595	11,573,486
5. Waste & Recycling			
Opening Balance	13,165,896	12,366,302	23,846,752
Transfer from Accumulated Surplus - Interest	268,858	348,847	329,115
Transfer from Accumulated Surplus	1,646,594	1,472,079	1,271,022
Transfer to Accumulated Surplus	(945,146)	(447,508)	(12,280,992)
	14,136,202	13,739,720	13,165,896

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
6. Land Development and Investment Fund			
Opening Balance	4,177,766	4,794,906	6,348,831
Transfer from Accumulated Surplus - Interest	83,436	251,777	101,680
Transfer from Accumulated Surplus	359,212	3,010,000	11,141,607
Transfer to Accumulated Surplus	(863,798)	(310,000)	(13,414,353)
	3,756,615	7,746,683	4,177,766
7. Roads & Drainage Infrastructure			
Opening Balance	13,987,382	13,446,390	8,159,206
Transfer from Accumulated Surplus - Interest	309,299	64,880	246,952
Transfer from Accumulated Surplus	2,041,646	1,500,000	5,754,502
Transfer to Accumulated Surplus	(892,103)	(2,433,333)	(173,277)
	15,446,223	12,577,937	13,987,382
8. Naval Base Shacks			
Opening Balance	1,077,675	1,115,536	935,871
Transfer from Accumulated Surplus - Interest	21,510	22,969	21,428
Transfer from Accumulated Surplus	75,363	75,363	120,376
Transfer to Accumulated Surplus	(96,534)	(65,000)	-
	1,078,013	1,148,868	1,077,675
9. Community Infrastructure			
Opening Balance	13,210,265	12,278,153	12,096,036
Transfer from Accumulated Surplus - Interest	314,659	109,782	264,703
Transfer from Accumulated Surplus	2,356,082	3,632,000	4,504,636
Transfer to Accumulated Surplus	(1,001,173)	(3,330,000)	(3,655,111)
	14,879,832	12,689,935	13,210,265
10. Insurance			
Opening Balance	328,198	312,051	488,961
Transfer from Accumulated Surplus - Interest	18,042	8,090	9,737
Transfer from Accumulated Surplus	925,580	-	14,500
Transfer to Accumulated Surplus	(9,000)	(50,000)	(185,000)
	1,262,819	270,141	328,198

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
11. Greenhouse Action Fund			
Opening Balance	349,919	-	901,331
Transfer from Accumulated Surplus - Interest	8,839	10,330	16,195
Transfer from Accumulated Surplus	200,000	200,000	1,450,000
Transfer to Accumulated Surplus	(138,325)	-	(2,017,608)
	420,432	210,330	349,919
12. Aged and Disabled Asset Replacement			
Opening Balance	223,193	173,575	326,947
Transfer from Accumulated Surplus - Interest	4,684	8,628	5,285
Transfer from Accumulated Surplus	-	-	68,129
Transfer to Accumulated Surplus	(36,874)	(39,000)	(177,168)
	191,003	143,203	223,193
13. Welfare Projects Employee Entitlements			
Opening Balance	459,203	503,743	479,810
Transfer from Accumulated Surplus - Interest	10,052	9,223	10,971
Transfer from Accumulated Surplus	252,888	-	15,671
Transfer to Accumulated Surplus	(14,012)	-	(47,249)
	708,130	512,966	459,203
14. HWRP Post Closure Management & Contaminated Sites			
Opening Balance	2,359,654	2,270,475	2,322,695
Transfer from Accumulated Surplus - Interest	49,551	47,780	52,361
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(85,000)	-	(15,401)
	2,324,206	2,318,255	2,359,654
15. Municipal Elections			
Opening Balance	155,198	156,894	34,213
Transfer from Accumulated Surplus - Interest	3,839	2,681	984
Transfer from Accumulated Surplus	120,000	120,000	120,000
Transfer to Accumulated Surplus	(200,000)	(200,000)	-
	79,037	79,575	155,198

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
16. Welfare Redundancies			
Opening Balance	41,748	41,622	40,825
Transfer from Accumulated Surplus - Interest	886	797	923
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	42,634	42,419	41,748
17. Port Coogee Special Maintenance - SAR			
Opening Balance	1,246,841	1,325,764	1,400,129
Transfer from Accumulated Surplus - Interest	31,633	26,794	29,760
Transfer from Accumulated Surplus	351,247	274,000	256,936
Transfer to Accumulated Surplus	(211,591)	-	(439,984)
	1,418,130	1,626,558	1,246,841
18. Port Coogee Waterways - SAR			
Opening Balance	112,477	117,533	-
Transfer from Accumulated Surplus - Interest	3,287	8,685	3,629
Transfer from Accumulated Surplus	56,000	56,000	188,590
Transfer to Accumulated Surplus	(79,742)	(79,742)	(79,742)
	92,022	102,476	112,477
19. Community Surveillance			
Opening Balance	1,097,742	969,084	1,245,490
Transfer from Accumulated Surplus - Interest	23,183	22,594	27,369
Transfer from Accumulated Surplus	200,000	200,000	200,000
Transfer to Accumulated Surplus	(416,967)	(369,115)	(375,117)
	903,958	822,563	1,097,742
20. Waste Collection			
Opening Balance	2,437,627	2,543,307	2,641,530
Transfer from Accumulated Surplus - Interest	46,756	63,366	50,763
Transfer from Accumulated Surplus	79,349	1,000,000	1,027,352
Transfer to Accumulated Surplus	(471,435)	(421,200)	(1,282,018)
	2,092,296	3,185,473	2,437,627

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
21. Family Day Care Accumulation Fund			
Opening Balance	8,482	8,295	8,295
Transfer from Accumulated Surplus - Interest	180	-	187
Transfer from Accumulated Surplus	44,025	-	-
Transfer to Accumulated Surplus	(22,012)	-	-
	30,675	8,295	8,482
22. Underground Power - Service Charge			
Opening Balance	-	222,504	222,504
Transfer from Accumulated Surplus - Interest	-	-	5,029
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	(227,532)
	-	222,504	-
23. Naval Base Shack Removal			
Opening Balance	526,838	501,724	461,814
Transfer from Accumulated Surplus - Interest	11,162	10,217	10,533
Transfer from Accumulated Surplus	-	-	54,693
Transfer to Accumulated Surplus	(10,000)	-	(202)
	528,000	511,941	526,838
24. Environmental Offset			
Opening Balance	298,185	299,286	291,595
Transfer from Accumulated Surplus - Interest	6,327	7,691	6,590
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	304,512	306,977	298,185
25. Bibra Lake Management Plan			
Opening Balance	589,288	554,320	985,439
Transfer from Accumulated Surplus - Interest	12,503	10,648	16,491
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	(25,000)	(412,642)
	601,791	539,968	589,288

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
26. Restricted Grants & Contributions			
Opening Balance	3,585,466	301,769	2,230,479
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	4,025,329	-	3,514,786
Transfer to Accumulated Surplus	(3,077,858)	-	(2,159,798)
	4,532,938	301,769	3,585,466
27. CIHCF Building Maintenance			
Opening Balance	4,621,068	4,573,192	3,323,192
Transfer from Accumulated Surplus - Interest	109,672	-	84,023
Transfer from Accumulated Surplus	1,439,494	1,450,000	1,288,333
Transfer to Accumulated Surplus	(19,422)	-	(74,479)
	6,150,813	6,023,192	4,621,068
28. Cockburn ARC Building Maintenance			
Opening Balance	500,000	1,419,762	10,880,762
Transfer from Accumulated Surplus - Interest	10,608	53,000	125,909
Transfer from Accumulated Surplus	1,500,000	-	8,300,000
Transfer to Accumulated Surplus	-	-	(18,806,671)
	2,010,608	1,472,762	500,000
29. Carry Forward Projects			
Opening Balance	3,974,994	710,429	4,020,698
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	5,419,903	-	6,584,183
Transfer to Accumulated Surplus	(5,776,505)	-	(6,629,887)
	3,618,392	710,429	3,974,994
30. Port Coogee Marina Assets Replacement			
Opening Balance	-	-	-
Transfer from Accumulated Surplus - Interest	423	-	-
Transfer from Accumulated Surplus	300,000	-	-
Transfer to Accumulated Surplus	(15,000)	-	-
	285,423	-	-

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
31. Port Coogee Waterways - WEMP			
Opening Balance	2,296,993	1,937,180	-
Transfer from Accumulated Surplus - Interest	47,424	40,372	35,418
Transfer from Accumulated Surplus	45,000	-	2,464,768
Transfer to Accumulated Surplus	(626,266)	(203,192)	(203,192)
	1,763,151	1,774,360	2,296,993
32. Cockburn Coast SAR			
Opening Balance	-	-	-
Transfer from Accumulated Surplus - Interest	1	-	-
Transfer from Accumulated Surplus	896	-	-
Transfer to Accumulated Surplus	-	-	-
	897	-	-
33. Development Contribution Plans (DCP) - Community Infrastructure			
Opening Balance	5,964,447	9,715,696	10,361,258
Transfer from Accumulated Surplus - Interest	184,299	220,238	218,853
Transfer from Accumulated Surplus	5,749,609	5,000,000	4,644,522
Transfer to Accumulated Surplus	(6,184,101)	(8,463,452)	(9,260,186)
	5,714,253	6,472,482	5,964,447
34. Development Contribution Plans (DCP) - Various			
Opening Balance	7,544,182	8,330,102	6,497,765
Transfer from Accumulated Surplus - Interest	192,100	77,827	156,723
Transfer from Accumulated Surplus	2,980,077	1,017,736	1,003,258
Transfer to Accumulated Surplus	(397,314)	(96,955)	(113,563)
	10,319,045	9,328,710	7,544,182
35. Public Open Space (POS) Cash in Lieu			
Opening Balance	-	55,125	5,471,641
Transfer from Accumulated Surplus - Interest	-	108,937	53,833
Transfer from Accumulated Surplus	-	-	96,000
Transfer to Accumulated Surplus	-	-	(5,621,474)
	-	164,062	-

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	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
SUMMARY CASH BACKED RESERVES			
Opening Balance	105,523,070	101,742,576	126,599,957
Transfer from Accumulated Surplus - Interest	2,258,709	1,829,128	2,329,289
Transfer from Accumulated Surplus	35,554,811	23,770,178	58,890,433
Transfer to Accumulated Surplus	(24,280,163)	(19,082,533)	(82,296,609)
TOTAL CASH BACKED RESERVES	119,056,427	108,259,349	105,523,070
RESERVES OTHER			
Asset Revaluation Reserve			
Opening Balance	503,528,001	568,241,909	575,432,360
Revaluation net increments made during the year	19,821,682	-	(71,904,359)
TOTAL RESERVES OTHER	523,349,683	568,241,909	503,528,001
TOTAL RESERVES	642,406,110	676,501,258	609,051,071

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15. Revaluation Surplus

	Actual 2017/18	Actual 2016/17
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
Land		
Opening Balance	107,394,794	118,679,531
Revaluation Increment/(Decrement)	-	(11,284,737)
	107,394,794	107,394,794
Buildings		
Opening Balance	22,861,653	22,405,632
Revaluation Increment/(Decrement)	-	456,022
	22,861,653	22,861,653
Roads Infrastructure		
Opening Balance	171,628,693	240,139,955
Revaluation Increment/(Decrement)	14,929,212	(68,511,262)
	186,557,905	171,628,693
Drainage Infrastructure		
Opening Balance	148,810,441	142,858,567
Revaluation Increment/(Decrement)	4,339,438	5,951,874
	153,149,879	148,810,441
Landfill Infrastructure		
Opening Balance	2,598,696	2,673,635
Revaluation Increment/(Decrement)	-	(74,939)
	2,598,696	2,598,696
Footpath Infrastructure		
Opening Balance	27,781,245	27,186,403
Revaluation Increment/(Decrement)	553,032	594,842
	28,334,277	27,781,245
Parks Infrastructure		
Opening Balance	22,452,479	21,488,638
Revaluation Increment/(Decrement)	-	963,841
	22,452,479	22,452,479
TOTAL REVALUATION SURPLUS	523,349,683	503,528,001
SUMMARY OF REVALUATION SURPLUS		
Opening Balance	503,528,001	575,432,360
Revaluation net increment/(decrement) made during the year	19,821,682	(71,904,359)
TOTAL REVALUATION SURPLUS	523,349,683	503,528,001

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Notes to and Forming Part of the Accounts

16. Notes to Statement of Cashflows

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
16a			
Reconciliation of Net Cash Provided by/(Used in) Operating Activities to Change in Net Assets Resulting from Operations.			
Net Result	32,718,585	23,897,352	71,913,380
Add (Less) non-cash items:			
Depreciation	30,241,974	28,299,179	27,465,498
Amortisation	1,390,921	1,120,764	1,391,018
Provision for Site Rehabilitation	505,193	-	490,620
(Profit)/Loss on Sale of Assets	(284,526)	(1,561,715)	(5,412,388)
Impairment charge provision	-	-	3,200,000
Assets Gifted to Other Parties	741,058	-	14,566,385
Decrease/(Increase) in Joint Venture Investment	5,669,496	-	(497,115)
Recognition of Gifted Subdivision Assets	(12,168,364)	-	(62,676,020)
Less: Grants & Contributions for the Development of Assets	(20,190,018)	(17,354,667)	(16,695,283)
Change in Assets and Liabilities:			
[Increase)/Decrease in Rates Debtors & Deferred Rates	(60,178)	-	(573,416)
(Increase)/Decrease in Sundry Debtors	459,132	-	7,198,041
(Increase)/decrease in Accrued Investment Income	(270,851)	-	(274,568)
(Increase)/Decrease in Stock on Hand	(13,818)	-	19,320
Increase/(Decrease) in Creditors & Accruals	712,446	(42,686)	(14,822,444)
(Increase)/Decrease in Rubbish Debtors	4,090	-	17,536
Increase/(Decrease) in Employee Provision	207,914	(7,744)	1,245,507
Increase/(Decrease) on Income Received in Advance	422,812	-	597,526
(Increase)/Decrease in Prepayments	629,332	-	(195,569)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	40,715,198	34,350,483	26,958,027

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Notes to and Forming Part of the Accounts

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Reconciliation of Cash

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

	Actual	Budget	Actual
	2017/18	2017/18	2016/17
	\$	\$	\$
Cash at Bank	762,182	5,902,438	2,896,742
Cash on Hand	29,212	23,000	22,500
Term Deposits	137,900,000	108,071,703	110,900,000
Cash & Cash Equivalents at end of Reporting Period	138,691,393	113,997,141	113,819,242

16c

Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit Card limit	250,000	250,000
Credit Card Balance at Balance Date	(77,769)	(81,359)
Total Amount of Credit Unused	172,231	168,641

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Notes to and Forming Part of the Accounts

17. Investment in Joint Venture – SMRC

The City is currently a member of the Southern Metropolitan Regional Council (SMRC), a regional local government established in 1991 pursuant to the Local Government Act with membership currently consisting of five local governments. In May 2018, Council determined to withdraw from the SMRC effective 30 June 2019 and gave 12 months notice. Equity interests will be adjusted in 2018-19 in accordance with the establishment agreement and to be determined at the time.

Equity contributions for participating local government members are based on published Australian Bureau of Statistics (ABS) population statistics, which when updated, change the future contribution ratios for members. The City of Cockburn's equity contribution ratio for SMRC was 37.29% at 30 June 2018, with the accumulated share of SMRC equity to date representing 34.19% of net adjusted assets (excluding office building and RRRC assets and liabilities, and loan receivables from members). The City's accumulated equity in the office building represents 35.19% of the adjusted net assets (excluding loan receivables from members).

The Regional Resource Recovery Centre (RRRC) project was established by the SMRC in 1998 for the management of municipal household waste and originally consisted of five local government participants. The City was a participant in the RRRC project up until its withdrawal from 30 June 2017 (see details below) and its previous share of equity has now been eliminated. However, it has a separate waste supply agreement to continue supplying the RRRC with municipal waste (excluding recyclables and greenwaste) up until 30 June 2021 at the prevailing gate fees.

	2017/18 Actual \$ (audited)	2016/17 Actual \$ (audited)
<u>Statement of Comprehensive Income - SMRC</u>		
Revenues from Ordinary Activities	24,453,842	28,462,929
LESS: Expenses from Ordinary Activities	(30,096,394)	(30,066,195)
LESS: Borrowing Cost Expense	(996,398)	(1,117,575)
Net Profit or (Loss)	(6,638,950)	(2,720,841)
<u>Statement of Financial Position - SMRC</u>		
Current Assets	17,070,818	25,453,192
Non-Current Assets	46,823,929	47,548,932
Total Assets	63,894,747	73,002,124

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	2017/18 Actual \$ (audited)	2016/17 Actual \$ (audited)
Current Liabilities	9,867,776	16,062,595
Non-Current Liabilities	18,042,435	14,682,031
Total Liabilities	27,910,211	30,744,626
Net Assets	35,984,536	42,257,498
<i>The City's share in the net assets of the SMRC (excluding equity) Equity Ratio</i>	923,569	6,592,991
Represented by Share of Joint Venture entity's Financial Position:		
Current Assets	927,780	6,414,370
Non-Current Assets	823,392	11,817,202
Total Assets	1,751,172	18,231,572
Current Liabilities	185,191	6,872,233
Non-Current Liabilities	642,412	4,766,348
Total Liabilities	827,603	11,638,581
Net Assets	923,569	6,592,991
Net Increase/(Decrease) in Equity - SMRC Joint Venture	(5,669,422)	499,833

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

The City withdrew from the RRRC Project Participants' Agreement, effective 30 June 2017 following a 12 month notice period. The City's withdrawal triggered a requirement under the RRRC Project Participant's Agreement to prepare an amended business plan for the Project, having regard to the effect of the City's withdrawal. The Deed of Variation to the Project Participant's Agreement also required the SMRC to determine the City's proportional entitlement to any net surplus or deficit on the basis of a notional winding up of the Project. However, any assets and liabilities relating to RRRC Loan Borrowings were excluded from the notional winding up calculation.

The SMRC facilitated the preparation of an amended business plan based on the notional winding up of the RRRC Project at 30 June 2017. After review and negotiation, the City agreed to pay a proportional liability of \$365,988 as per the Notional Winding Up Report. It was also required to pay \$150,532 towards the cost

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of preparing the amended business plan triggered by the City's withdrawal. The City's equity share in the assets of the RRRC was adjusted during 2017-18 following the acceptance of the amended business plan by the City and the determination of the impact from the notional winding up on the City's equity share.

In accordance with the RRRC Project Participants' Agreement, the City will continue to be responsible for its share of RRRC borrowing repayments until these are fully repaid. The equity contribution ratio for the RRRC was 42.97% (at time of withdrawal) and this will apply to future borrowing repayments. The City will also be entitled to any proportional equity in the assets acquired from the related borrowing, as valued when the borrowing is fully repaid.

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Notes to and Forming Part of the Accounts

18. Contingent Liabilities

(a) Regional Resource Recovery Centre (RRRC) - Lending Facility

The City was a participant in the RRRC Joint Venture, until its withdrawal effective 30 June 2017. The project was established through the Southern Metropolitan Regional Council (SMRC) and involves the cities of Canning, Cockburn, Fremantle, Melville and the Town of East Fremantle in the development of a waste processing plant and a recyclable and green waste facility at Canning Vale.

The capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). A \$40 million lending facility was initially set up for this purpose (repayable over a term of 20 years) and this facility has since been extended to a total of \$55 million. The SMRC administer the borrowings with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The City guaranteed by way of agreement its share of the loan liability to the SMRC and the WATC. Whilst the City has now withdrawn as a participant in the joint venture, this guarantee remains in place until the lending facility is fully repaid.

The City's estimated share of the project funding is based on population percentages as derived from the Australian Bureau of Statistics census. These are now revised yearly over the life of the lending facility with the City's share for the 2017/18 year being 42.97%.

As at 30th June 2018, the balance outstanding against the lending facility stood at \$16,482,637 with the City's share of this liability being \$7,082,589 (42.97%).

The City's annual contribution towards the repayment of interest and principal on the lending facility is currently around \$1.67 million (approx. \$35 per household).

(b) SMRC Administration Building - Lending Facility

As a SMRC participant, Council has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30th June 2018, the balance outstanding against this facility stood at at \$1,800,000 with Council's share of this liability being \$671,220 (using the current cost/profit sharing percentage of 37.29%).

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Notes to and Forming Part of the Accounts

(c) Claim for Injurious Affection - land at 870 North Lake Rd

The owners of 870 North Lake Rd (Otago Pty Ltd) have made application to the State Administrative Tribunal (SAT) for an order, under s176(1) of the PD Act, claiming that their land is injuriously affected to the value of \$3,932,535 by the City's Local Planning Scheme No.3, including by operation of Development Area Structure Plan. The City disagrees and argues strongly that the land is not injuriously affected. Proceedings for determination of the application were stalled in SAT, awaiting the decision of the Court of Appeal on a similar matter (*Scutti v City of Wanneroo*). The Court of Appeal have recently handed down its decision, which did not go in favour of the City of Wanneroo. However, the City's legal position is that the decision's application is very limited and not necessarily applicable to the Otago matter. The City has contacted the applicant with our view and the matter currently remains with the SAT process, awaiting further direction.

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Notes to and Forming Part of the Accounts

19. Capital & Leasing Commitments

Capital Commitments

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

	2017/18	2016/17
	\$	\$
Contracted for:		
Capital expenditure projects	10,384,193	5,772,499
Plant & equipment purchases	78,282	800,924
	10,462,474	6,573,423

Operating Leasing Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial report

	Actual 2017/18	Actual 2016/17
Payable:	\$	\$
Not later than 1 year	767,631	672,405
Later than 1 year but not later than 5 years	1,288,587	870,010
Later than 5 years	7,663	-
	2,063,881	1,542,415

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20a. Assets Classified by Function

Total Assets Classified by Function and Activity

	Actual 2017/18	Actual 2016/17
	\$	\$
General Purpose Funding	60,060,582	52,901,714
Governance	28,063,877	28,570,090
Law, Order and Public Safety	1,782,638	2,018,520
Health	1,870,783	1,883,193
Education and Welfare	3,124,572	2,530,174
Community Amenities	45,984,876	40,974,561
Recreation and Culture	136,340,506	106,298,632
Transport	645,257,471	630,293,449
Economic Services	1,853,249	1,866,912
Other Property and Services	347,794,157	352,906,834
Total	1,272,132,710	1,220,244,078

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Notes to and Forming Part of the Accounts

20b. Disposal of Assets

	Net Book Value		Sale Price		Profit/Loss	
	Actual	Budget	Actual	Budget	Actual	Budget
	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
BY FUNCTION						
Governance	-	-	-	-	-	-
Law, Order and Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Education and Welfare	-	-	-	13,000	-	13,000
Community Amenities	-	-	-	-	-	-
Recreation and Culture	190,288	-	-	-	(190,288)	-
Transport	650,734	556,392	974,834	432,500	324,100	(123,892)
Economic Services	-	-	-	-	-	-
Other Property and Services	525,541	1,459,893	676,256	3,132,500	150,715	1,672,607
Total	1,366,564	2,016,285	1,651,090	3,578,000	284,526	1,561,715
BY ASSET CLASSIFICATION						
Land	-	996,897	-	2,760,000	-	1,763,103
Buildings	190,288	-	-	-	(190,288)	-
Infrastructure - Parks Equipment	-	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-	-
Computers	-	-	-	-	-	-
Plant and Equipment	1,176,275	1,019,388	1,651,090	818,000	474,814	(201,388)
Total	1,366,564	2,016,285	1,651,090	3,578,000	284,526	1,561,715

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Notes to and Forming Part of the Accounts

20c. Control Over Contributions

Funding Bodies	Purpose	Function	Opening Balance (1) 1/07/16	Received (2) 2016/17	Expended (3) 2016/17	Closing Balance (1) 30/06/17	Received (2) 2017/18	Expended (3) 2017/18	Closing Balance 30/06/18
Alcoa Kwinana Refinery	Operating grant for delivering services	Recreation & Culture	10,000			10,000			10,000
City of Armadale Contribution	Operating grant for delivering services	Transport					18,182		18,182
Community Sports and Recreation	Capital grant for park construction	Recreation & Culture		200,000	28,280	171,720	200,000	371,720	
Department Child Protection	Operating grant for delivering services	Education & Welfare		79,121		79,121			79,121
Department Child Protection and Family Support	Operating grant for delivering services	Education & Welfare							
Department Local Government and Communities	Operating grant for delivering services	Education & Welfare	46,038	463,981	469,551	40,469	349,839	351,920	38,388
Department of Attorney General	Operating grant for delivering services	Education & Welfare					-	-	
Department of Child Protection	Operating grant for delivering services	Education & Welfare		167,583	121,175	46,408	129,457	126,621	49,243
Department of Child Protection	Operating grant for delivering services	Education & Welfare		23,929	23,929	0			0
Department of Child Protection	Operating grant for delivering services	Education & Welfare		191,511	145,104	46,408	129,457	126,621	49,243
Department Of Communities Child Protection and Family Support	Operating grant for delivering services	Education & Welfare	42,774	218,272	207,008	54,038	275,139	236,090	93,086
Department of Corrective Services	Operating grant for delivering services	Education & Welfare	2,734	13,870	16,604				
Department of Education , Employee & Workplace	Operating grant for delivering services	Education & Welfare							
Department of Education and Training	Operating grant for delivering services	Education & Welfare	15,146	4,396,925	4,409,833	2,238	745,354	695,608	51,984
Department of Environment Regulation	Operating grant for delivering services	Community Amenities					449,930	391,480	58,450
Department of Fire and Emergency Services	Operating grant for delivering services	Law, Order & Public Safety							
Department of Health	Operating grant for delivering services	Education & Welfare	86	1,739,237	1,684,325	54,998	1,930,564	1,829,994	155,569
Department of Infrastructure and Regional Development	Capital grant for roads construction	Transport		1,961,436		1,961,436	3,754,058	3,714,532	2,000,962
Department of Local Government	Capital grant for park construction	Other Property & Services					160,000		160,000
Department of local government, sport and cultural industries	Capital grant for park construction	Other Property & Services					65,000	60,238	4,763
Department of Parks & Wildlife Community & Regional Parks	Operating grant for delivering services	Other Property & Services		100,000		100,000		6,535	93,465
Department of Social Services	Operating grant for delivering services	Education & Welfare	49,183	330,809	282,806	97,186	673,870	655,844	115,211
Department of Sports and Recreation	Operating grant for delivering services	Recreation & Culture					250,619	182,903	67,716
Department of Transport	Operating grant for coastal and adaptation study	Other Property & Services	125,615	176,237	232,708	69,144		20,496	48,648
Developer Contribution - Terranovis ply Ltd	Developer contribution for park construction	Other Property & Services					162,883		162,883
Disability Services Commission	Operating grant for delivering services	Education & Welfare		447,623	339,961	107,662	651,002	464,452	294,212
Disability Services Commission	Developer contribution for building construction	Education & Welfare	2,257		2,257				
Fremantle Ports	Operating grant for delivering services	Recreation & Culture	5,019	10,000	4,000	11,019	10,000	11,818	9,201
Government of Western Australia Mental Health Commission	Operating grant for delivering services	Education & Welfare					14,800	1,855	12,945
Healthway	Operating grant for delivering services	Education & Welfare		5,000	5,000				
Hope Community Services	Operating grant for delivering services	Education & Welfare		55,807	55,807				
Hope Community Services Incorporated	Operating grant for delivering services	Education & Welfare					111,614	96,593	15,021
Main Roads WA	Capital grant for roads construction	Transport	1,618,415	2,887,801	4,210,019	296,197	1,580,106	1,467,708	408,694
Medicare Australia	Operating grant for delivering services	Education & Welfare							
Nigala and Parenting Research Centre	Operating grant for delivering services	Education & Welfare	1,111	7,920	7,559	1,471	13,200	6,617	8,054
Office Of Emergency Management	Operating grant for delivering services	Law, Order & Public Safety					59,000	53,250	5,750
Private contributions	Operating grant for delivering services	Education & Welfare	231,762	405,186	157,820	479,127	95,251	43,181	531,197
Public Transport Authority of WA	Capital grant for building construction	Transport					49,966	13,202	36,764
South Lake Otley Family and Community Centre	Operating grant for delivering services	Other Property & Services					54,580	51,892	2,688
State Emergency Management Committee	Operating grant for delivering services	Law, Order & Public Safety	11,156	25,000	34,833	1,323	-	-	1,323
State Natural Resource Management Office	Operating grant for delivering services	Other Property & Services	10,000		9,091	909	-	-	909
WA Local Government Association	Operating grant for delivering services	Transport		1,000		1,000	-	-	1,000
Western Australian Local Government Association (WALGA)	Capital grant for building construction	Recreation & Culture	59,182	27,273	86,455		-	-	
Grand Total			2,230,479	13,744,009	12,389,022	3,586,466	11,804,413	10,854,550	4,535,329

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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21. Financial Ratios

	2018	2017	2016
Current Ratio	1.479	1.432	1.211
Asset Sustainability Ratio	0.737	1.442	1.399
Debt Service Cover Ratio	10.370	9.533	20.631
Operating Surplus Ratio	0.008	0.078	0.049
Own Source Revenue Coverage Ratio	0.957	0.971	1.003
Asset Consumption Ratio	0.691	0.689	0.714
Asset Renewal Funding Ratio	0.707	0.729	0.741

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of depreciable assets}}{\text{current replacement cost of depreciated assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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22. Information on Borrowings

Loan Repayments

Particulars/Purpose	Principal 1 July 2017 \$	Interest Rate	Maturity Date	Principal Repayments		Principal 30 June 2018		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture									
To assist fund the Cockburn Central West development	22,500,000	2.96%	27 June 2026	2,500,000	2,500,000	20,000,000	20,000,000	726,777	816,699
Total	22,500,000			2,500,000	2,500,000	20,000,000	20,000,000	726,777	816,699

Unspent Loans

There is no unspent loans as at 30 June 2018.

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23a. Statement of Rating Information

2017/18	NON-MINIMUM					MINIMUMS					TOTALS			
	Qty	Rateable value \$	Rate in \$	Yield \$	Budget 2017-2018	Qty	Rateable Value \$	Amount \$	Yield \$	Budget 2017-2018	Qty	Rateable Value \$	Yield \$	Budget 2017-2018
GRV														
Improved Commercial/Industrial	2,586	380,979,080	0.0768300	29,270,623	29,270,623	208	1,631,016	757	157,456	157,456	2,794	382,610,096	29,428,079	29,428,079
Improved Commercial - Caravan Park	2	1,778,244	0.0997500	177,380	177,380	-	-	757	-	-	2	1,778,244	177,380	177,380
Improved Residential	29,025	665,593,858	0.0731900	48,714,827	48,714,827	12,089	192,628,750	1,303	15,751,967	15,751,967	41,114	858,222,608	64,466,794	64,466,794
Vacant	1,580	43,328,010	0.0866000	3,752,206	3,752,206	1,529	10,406,660	753	1,151,337	1,151,337	3,109	53,734,670	4,903,543	4,903,543
UV														
Rural Vacant Land	52	70,654,000	0.0039800	281,203	281,203	2	184,000	922	1,844	1,844	54	70,838,000	283,047	283,047
Rural General	224	180,042,100	0.0025800	464,509	464,509	11	1,483,763	922	10,142	10,142	235	181,525,863	474,651	474,651
Total Rates Levied	33,469	1,342,375,292		82,660,748	82,660,748	13,839	206,334,189		17,072,746	17,072,746	47,308	1,548,709,481	99,733,494	99,733,494
Interim Rates - GRV & UV													1,715,445	1,984,466
Rates Received in Advance													(37,636)	-
Residential Improved - Concessions				(1,811,191)									(1,811,191)	(1,736,510)
Total General Rates	33,469	1,342,375,292		80,849,557	82,660,748	13,839	206,334,189		17,072,746	17,072,746	47,308	1,548,709,481	99,600,112	99,981,449

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	NON-MINIMUM					MINIMUMS					TOTALS			
	Qty	Rateable value \$	Rate in \$	Yield \$	Budget 2016-2017	Qty	Rateable Value \$	Amount \$	Yield \$	Budget 2016-2017	Qty	Rateable Value \$	Yield \$	Budget 2016-2017
2016/17														
GRV														
Improved Commercial/Industrial	2,445	196,647,518	0.0755000	14,846,888	14,823,920	210	1,432,033	744	156,240	156,240	2,855	198,079,551	15,003,128	14,980,160
Large Comm & Industrial - Improved	53	123,257,530	0.0805800	9,932,092	9,932,092			744			53	123,257,530	9,932,092	9,932,092
Jandakot Airport - Standard	1	15,391,137	0.0755000	1,162,031	1,162,031			744			1	15,391,137	1,162,031	1,162,031
Jandakot Airport - Major	1	25,416,000	0.0805800	2,048,021	2,048,021			744			1	25,416,000	2,048,021	2,048,021
Improved Commercial - Caravan Park	2	1,778,244	0.0950000	168,933	168,933	-		744	-	-	2	1,778,244	168,933	168,933
Improved Residential	27,694	629,618,828	0.0725000	45,647,365	45,612,066	11,861	184,144,548	1,281	15,193,941	15,215,718	39,555	813,763,376	60,841,308	60,827,783
Vacant	1,621	41,300,307	0.0939100	3,878,511	3,892,341	1,394	8,295,404	744	1,037,136	1,037,136	3,015	49,595,711	4,915,647	4,929,477
UV														
Rural Vacant Land	55	78,174,000	0.0039100	305,660	282,044	2	184,000	906	1,812	1,812	57	78,358,000	307,472	283,856
Rural General	260	211,502,100	0.0025300	535,100	544,790	15	2,560,763	906	13,590	9,966	275	214,062,863	548,690	554,756
Total Rates Levied	32,132	1,323,085,664		78,524,602	78,466,238	13,482	196,616,748		16,402,719	16,420,872	45,614	1,519,702,412	94,927,323	94,887,109
Interim Rates - GRV & UV													2,877,008	2,369,726
Rates Received in Advance													152,341	-
Residential Improved - Concessions				(1,619,510)									(1,619,510)	(1,556,835)
Total General Rates	32,132	1,323,085,664		76,905,092	78,466,238	13,482	196,616,748		16,402,719	16,420,872	45,614	1,519,702,412	96,337,163	95,700,000

23b. Specified Area Rates

2017/18	Rate in \$	Basis of Rate	Qty	Rateable Value \$	Yield \$	Interim Rate Revenue \$	Budget 2017-2018 \$	Applied to Costs \$	Budget Applied to Costs \$
Port Coogee Special Maintenance	0.01221	GRV	807	26,161,700	319,434	39,481	274,000	358,915	206,342
Port Coogee Waterways	0.01221	GRV	54	3,845,100	46,949	1,383	56,000	48,332	79,742
Cockburn Coast Maintenance	0.01221	GRV	-	-	-	896	-	896	-
Total Specified Area Rates			861	30,006,800	366,383	41,760	330,000	408,143	286,084

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<u>2016/17</u>	Rate in \$	Basis of Rate	Qty	Rateable Value \$	Yield \$	Interim Rate Revenue \$	Budget 2017-2018 \$	Applied to Costs \$	Budget Applied to Costs \$
Port Coogee Special Maintenance	0.012	GRV	770	21,907,640	262,892	10,594	274,000	273,485	175,919
Port Coogee Waterways	0.012	GRV	56	4,106,800	49,282	(9,831)	56,000	39,451	56,000
Total Specified Area Rates			826	26,014,440	312,173	763	330,000	312,936	231,919

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24. Interest Charges, Administration Fees and Instalments

	Interest Rate	Admin Fee	Actual 2017/18	Actual 2016/17
	%	\$	\$	\$
Administration Fee		5.00	241,853	270,113
Penalty Interest	7.00	-	231,312	229,449
Instalment Interest	3.50	-	422,033	349,316
			895,198	848,878

Payment by Instalments

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

(a) **Pay in full** by 2 September 2017

(b) **Pay in four instalments due:**

1. 25 August 2017
2. 27 October 2017
3. 5 January 2018
4. 9 March 2018

Administration Fees

The Rates Instalment Fee is \$5 per instalment.

Special Payment Arrangements

Ratepayers who were unable to pay their account in full or according to the instalment plans offered were able to make special payment arrangements to extinguish their debt. Penalty interest was applied at the rate of 7% to any outstanding balance.

Instalment Interest

The Local Government Act allows for interest to be charged on overdue amounts. The Council charged interest at the rate of 3.5% on outstanding rates for the year under review. This charge covered the opportunity cost of lost income on investment that would otherwise be received had the instalment options not been exercised. The maximum rate of interest allowed to be imposed on outstanding amounts under S6.45(4)(e) of the Local Government Act is 5.5%

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Penalty Interest - Rates

Penalty interest was levied where payment in full or the first instalment was not received within thirty-five days of the issue of the rate notice. The rate charged was 7% on the daily balance. The maximum rate of interest allowed to be imposed on overdue rates and service charges under S6.51(1) of the Local Government Act is 11%.

Penalty Interest - FESA

The Minister for Emergency Services deemed the penalty interest rate for 2017/18 to be 7% on outstanding balances. Interest was levied where payment in full or the first instalment was not received within thirty-five days of the issue of the rate notice.

25. Grant Revenue

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Nature or Type:

Operating Grants, Subsidies and Contributions	12,800,692	11,382,351	13,752,463
Non-Operating Grants, Subsidies and Contributions	11,455,693	11,336,931	11,063,443
	24,256,385	22,719,282	24,815,906

By Program:

General Purpose Funding	7,058,056	7,180,091	9,901,179
Governance	601,319	80,000	2,202,389
Law Order & Public Safety	298,023	250,730	972,425
Health	-	-	-
Recreation & Culture	10,995,485	9,563,087	6,951,752
Transport	5,303,502	5,645,374	4,788,161
	24,256,385	22,719,282	24,815,906

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26. Fees and Charges

	Actual 2017/18	Actual 2016/17
	\$	\$
General Purpose Funding	444,674	778,231
Governance	11,830	18,586
Law Order & Public Safety	546,800	651,096
Health	307,069	303,848
Education & Welfare	1,576,171	1,480,154
Community Amenities	9,780,262	9,907,490
Recreation & Culture	11,472,294	3,767,169
Transport	223,806	217,574
Economic Services	1,813,712	2,039,149
Other Property & Services	2,524,127	3,189,998
	28,700,746	22,353,295

27. Number of Employees

	Actual 2017/18	Actual 2016/17
	No.	No.
Number of full-time equivalent (FTE) employees as at balance date:	478	497

28. Superannuation

	Actual 2017/18	Actual 2016/17
	\$	\$
Contributory	713,769	708,621
S.G. Occupational	4,681,399	4,303,471
	5,395,169	5,012,092

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29. Financial Risk Management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

	<u>Carrying Value</u>		<u>Est. Fair Value</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<u>2017/18</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2016/17</u>
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	138,691,393	113,819,242	138,691,393	113,819,242
Held-to-maturity investments	1,021,816	4,920,136	1,021,816	4,920,136
Available for Sale Financial Assets	123,734	123,808	123,734	123,808
Receivables *	8,672,483	8,517,248	8,672,483	8,517,248
	<u>148,509,426</u>	<u>127,380,433</u>	<u>148,509,426</u>	<u>127,380,433</u>
Financial Liabilities				
Borrowings	20,000,000	22,500,000	20,120,917	22,576,502
Payables *	9,294,215	9,338,484	9,294,215	9,338,484
	<u>29,294,215</u>	<u>31,838,484</u>	<u>29,415,132</u>	<u>31,914,986</u>

* The amount excludes the GST receivable from/payable to ATO (statutory receivable/payable)

Fair value is determined as follows:

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

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(a) Cash & Cash Equivalents

Financial assets at fair value through profit or loss

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy and the policy is subject to review by Council.

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

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

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

Council also seeks advice from an independent adviser before placing any cash and investments.

	Actual	Actual
	2017/18	2016/17
	\$	\$
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	17,495	37,779
- Statement of Comprehensive Income	17,495	37,779

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

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Ageing Analysis of Receivables

	Carrying Amount \$	Not Past due & not impaired \$	Up to 1 Month \$	1 - 3 Months \$	3 Months to 1 Year \$	1 - 5 Years \$	More than 5 Years \$
<u>2017/18</u>							
Receivables*	8,672,483	3,349,448	1,450,482	271,826	2,630,482	970,245	-
	8,672,483	3,349,448	1,450,482	271,826	2,630,482	970,245	-
<u>2016/17</u>							
Receivables*	8,517,248	1,975,001	1,985,875	852,670	2,845,044	858,657	-
	8,517,248	1,975,001	1,985,875	852,670	2,845,044	858,657	-

* The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

(c) Payables & Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017/18</u>					
Borrowings	2,500,000	10,000,000	7,500,000	24,578,000	20,000,000
Payables*	9,294,215	-	-	9,294,215	9,294,215
	11,794,215	10,000,000	7,500,000	33,872,215	29,294,215
<u>2016/17</u>					
Borrowings	2,500,000	10,000,000	10,000,000	27,159,750	22,500,000
Payables*	9,338,484	-	-	9,338,484	9,338,484
	11,838,484	10,000,000	10,000,000	36,498,234	31,838,484

* The amount of payables excludes the GST payable to the ATO (statutory payable)

Borrowings are also 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.

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Notes to and Forming Part of the Accounts

(d) Liquidity Risk and Interest Rate Risk Exposure

The following table summarises the liquidity risk and interest rate risk for the City, together with the effective interest rates as at 30th June 2018.

Interest Rate Exposure

<u>2017/18</u>	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Nominal Amount
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash & Cash Equivalents	2.69	138,691,393	137,900,000	791,393	-	138,691,393
Direct Securities Available for sale Financial Asset	2.49	1,021,816	1,021,816	-	-	1,021,816
Receivables	2.72	8,672,483	-	958,125	7,714,358	8,672,483
Total		148,509,426	138,921,816	1,749,518	7,838,092	148,509,426
Financial Liabilities						
Borrowings	3.69	20,000,000	20,000,000	-	-	20,120,917
Accounts Payable		9,294,215	-	-	9,294,215	9,294,215
Deposits/Bonds	1.50	-	-	-	-	-
Total		29,294,215	20,000,000	-	9,294,215	29,415,132

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<u>2017/18</u>	Carrying Amount	Up to 1 month	Maturity Dates		
			1 - 3 Months	3 Months to 1 Year	More than 1 Year
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Cash Equivalents	138,691,393	14,267,295	32,866,238	91,557,860	-
Direct Securities Available for sale	1,021,816	-	-	-	1,021,816
Financial Asset	123,734	-	-	-	123,734
Receivables	8,672,483	8,672,483	-	-	-
Total	148,509,426	22,939,778	32,866,238	91,557,860	1,145,550
Financial Liabilities					
Borrowings	20,000,000	-	-	2,500,000	17,500,000
Accounts Payable	9,294,215	6,314,389	1,611,202	991,659	376,965
Deposits/Bonds	-	-	-	-	-
Total	29,294,215	6,314,389	1,611,202	3,491,659	17,876,965

The following tables provide comparatives as at 30th June 2017:

<u>2016/17</u>	Weighted Average Effective Interest Rate	Interest Rate Exposure				
		Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Nominal Amount
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash & Cash Equivalents	2.90	113,819,242	110,900,000	2,919,242	-	113,819,242
Direct Securities Available for sale	2.61	4,920,136	4,920,136	-	-	4,920,136
Financial Asset		123,808	-	-	123,808	123,808
Receivables	2.48	8,517,248	-	858,657	7,658,590	8,517,248
Total		127,380,433	115,820,136	3,777,899	7,782,398	127,380,433

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<u>2016/17</u>	<u>Interest Rate Exposure</u>					
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Nominal Amount
	%	\$	\$	\$	\$	\$
Financial Liabilities						
Borrowings	3.66	22,500,000	22,500,000	-	-	22,576,502
Accounts Payable		9,338,484	-	-	9,338,484	9,338,484
Deposits/Bonds	1.50	-	-	-	-	-
Total		31,838,484	22,500,000	-	9,338,484	31,914,986

<u>2016/17</u>	<u>Maturity Dates</u>				
	Carrying Amount	Up to 1 month	1 - 3 Months	3 Months to 1 Year	More than 1 Year
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Cash Equivalents	113,819,242	13,649,491	45,113,382	55,056,369	-
Direct Securities Available for sale	4,920,136	-	-	3,841,492	1,078,644
Financial Asset	123,808	-	-	-	123,808
Receivables	8,517,248	8,517,248	-	-	-
Total	127,380,434	22,166,739	45,113,382	58,897,861	1,202,452
Financial Liabilities					
Borrowings	22,500,000	-	-	2,500,000	20,000,000
Accounts Payable	9,338,484	6,619,466	2,078,647	42,844	597,526
Deposits/Bonds	-	-	-	-	-
Total	31,838,484	6,619,466	2,078,647	2,542,844	20,597,526

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Notes to and Forming Part of the Accounts

30. Elected Members Remuneration

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
The following fees, expenses and allowances were paid to councillors and the mayor:			
Meeting Fees	320,437	329,318	336,490
Vehicle Mileage Claims	8,106	10,000	11,853
Mayoral/Deputy Mayoral Allowances	111,115	111,080	103,675
Communication Expenses	42,129	35,000	37,955
	481,787	485,398	489,973

31. Economic Dependency

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

	Actual 2017/18	Budget 2017/18	Actual 2016/17
	\$	\$	\$
The total of grant revenue from Government sources	24,256,385	22,719,282	24,815,906

32. Events after the Reporting Date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the City's operations in future financial years
- the results of those operations in future financial years; or
- the City's state of affairs in future financial years.

However, the City's decision before the reporting date to withdraw its membership from the SMRC (as outlined in note 17) will have some affect on these.

33. Major Land Transactions

The City did not participate in any major land transactions during the 2017/18 financial year.

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34. Trading Undertakings and Major Trading Undertakings

The City did not participate in any trading undertakings or major trading undertakings during the 2017/18 financial year.

35. Trust Funds

Funds held at balance date over which the City has no control and which are not included in the financial statements are as follows

	Opening Balance 1 July 2017	Amounts Received	Amounts Paid	Closing Balance 30 June 2018
	\$	\$	\$	\$
Bonds and Deposits	5,385,113	1,998,629	(1,549,298)	5,834,444
Public Open Space	5,845,276	661,375	(501,739)	6,004,913
	11,230,389	2,660,004	(2,051,037)	11,839,357

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36. Fair Value Measurement

The City of Cockburn measures the following assets at fair value on a recurring basis after initial recognition:

- Land and Buildings
- Plant & Machinery
- Computer Equipment
- Furniture and Equipment
- Roads
- Footpaths
- Drainage
- Landfill Infrastructure
- Parks Equipment
- Marina Infrastructure
- Available for Sale Financial Assets

The following table provides the fair values of the City of Cockburn's assets measured and recognized on a recurring basis after initial recognition and their categorization within the fair value hierarchy:

Recurring Fair Value Measurements

Non-Financial Assets – 2017/18	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Land	9(b)	-	84,111,627	-	84,111,627
Buildings	9(b)	-	-	215,120,020	215,120,020
Furniture and Equipment	9(b)	-	-	2,147,807	2,147,807
Computer Equipment	9(b)	-	-	4,153,841	4,153,841
Plant & Machinery	9(b)	-	14,873,074	-	14,873,074
Roads	10(b)	-	-	366,263,283	366,263,283
Footpaths	10(b)	-	-	41,867,605	41,867,605
Drainage	10(b)	-	-	211,708,027	211,708,027
Landfill Infrastructure	10(b)	-	-	20,791,575	20,791,575
Parks Equipment	10(b)	-	-	55,310,434	55,310,434
Marina Infrastructure	10(b)	-	-	50,716,627	50,716,627
Total		-	98,984,701	968,079,219	1,067,063,920

Financial Assets – 2017/18	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Available for Sale Financial Assets	4(a)	-	-	123,734	123,734
Total		-	-	123,734	123,734

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Non-Financial Assets – 2016/17	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Land	9(b)	-	82,632,800	-	82,632,800
Buildings	9(b)	-		217,312,861	217,312,861
Furniture and Equipment	9(b)	-	-	1,870,689	1,870,689
Computer Equipment	9(b)	-	-	598,759	598,759
Plant & Machinery	9(b)	-	15,302,627	-	15,302,627
Available for Sale Financial Assets	4(a)	-	-	123,808	123,808

Non-Financial Assets – 2016/17	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Roads	10(b)	-	-	351,679,674	351,679,674
Footpaths	10(b)	-	-	41,062,238	41,062,238
Drainage	10(b)	-	-	204,129,170	204,129,170
Landfill Infrastructure	10(b)	-	-	21,769,439	21,769,439
Parks Equipment	10(b)	-	-	46,204,658	46,204,658
Marina Infrastructure	10(b)	-	-	51,662,441	51,662,441
Total		-	97,935,427	936,289,929	1,034,225,356

Financial Assets – 2016/17	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Available for Sale Financial Assets	4(a)	-	-	123,808	123,808
Total		-	-	123,808	123,808

36 (a). Transfers Policy

The policy of the City of Cockburn is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There was no transfer between Level 1, 2, and 3 during the current and previous years.

36 (b). Highest and Best Use

All assets have been valued at their highest and best use, that being their current use.

36 (c). Valuation techniques used to derive fair values:

The fair values of financial and non-financial assets that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This

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is the case for Council specialised buildings assets, which are of a specialist nature and where there is no active market for the assets.

The following table summarises the valuation inputs and techniques used to determine the fair value for each asset class.

Asset	Level of Valuation Input	Fair Value at 30 June 2018 (\$)	Valuation Technique(s)	Inputs Used
Land	2	84,111,627	Market Approach	Price per square metre
Buildings	3	215,120,020	Market Approach Cost Approach	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.
Furniture & Equipment	3	2,147,807	Cost Approach	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
Computers & Equipment	3	4,153,841	Cost Approach	Make, size, year of manufacture and condition
Plant & Machinery	2	14,873,074	Market Approach	Make, size, year of manufacture and condition
Available for Sale Financial Assets	3	123,734	Cost Approach	The proportion of net assets from WALGA's balance sheet over the number of units held by the City.
Roads	3	366,263,283	Cost Approach	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
Footpaths	3	41,867,605	Cost Approach	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

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Asset	Level of Valuation Input	Fair Value at 30 June 2018 (\$)	Valuation Technique(s)	Inputs Used
Drainage	3	211,708,027	Cost Approach	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
Landfill	3	20,791,575	Cost Approach	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
Parks Equipment	3	55,310,434	Cost Approach	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
Port Coogee Marina Infrastructure	3	50,716,627	Cost Approach	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
Total		1,067,187,654		

Recurring Fair Value Measurements

The City's Infrastructure assets were revalued as at 30 June 2018 by Management Valuation. These were valued on the basis that the entity intended to retain these assets for a continuous use for the purposes of the enterprise and for the foreseeable future. The management had regard to assessing the value of the assets in their existing use and ensuring the highest and best use, noting that the current use of an asset is presumed to be its highest and best use unless market or other factors suggest a different use would maximise its value.

The following methods were used to determine the fair value measurements.

Land

Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income methods can be utilised, and are accepted valuation methodologies under AASB13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

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Direct Comparison method which is considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land taking into account matters such as area, location and other general site characteristics. We note the Direct Comparison approach has been utilised in our assessment for all Land Assets, however the fair value measurement has been either a Level 2 or 3, depending on assumptions as to:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is no active market.

If these assumptions apply to the land, we have measured the expected Fair Value as a Level 3. However if an active market could be established and there were no unreasonable restrictions as to use and/or sale, we have deemed the measurement to be a Level 2. Land carrying a Community or Park Recreation zoning, land that is utilised for Community uses (and not zoned 'Community'), access strips, or due to its general characteristics land that has no observable active market, have been assessed as a Level 3.

The valuation techniques used to measure fair value maximised the use of observable data where it was available and relied as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

For assets valued under Level 3, the unobservable input is the rate per square metre applied to the asset.

Buildings

Where there is an active and liquid market as evidenced by sales transactions of similar property types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB13. If a Market Approach is adopted, the building valuation is deemed to be a Level 2 input.

Direct Comparison and Summation methods involve the analysis of sales evidence and comparisons with the subject taking into account matters such as method of construction, size, condition, age, land area and location. The land value is subtracted from the Market Value of the property to measure the asset Fair Value.

The Income approach is applied to income producing properties and includes the capitalisation of net income method, or for multi-income stream assets, a discounted cash flow approach. The capitalisation method involves capitalising the estimated net income of the property at an appropriate capitalisation rate (net yield) that has been determined through the analysis of sales evidence.

Due to the predominantly specialised nature of Local Government Assets, most of the buildings valuations have been undertaken on a Cost Approach (Depreciated Replacement Cost) valuation, an accepted valuation methodology under AASB13.

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The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- x. Where there is no depth of market as determined for the Council assets, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.
- y. A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied. The conditions assessed are considered a Level 3 input.
- z. In determining the level of accumulated depreciation, in some instances residual values have been factored into the calculations, which is the value at the time the asset, is considered to be no longer available. The residual values applied are considered a Level 3 input.

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value, useful life, and asset condition) were also required (level 3).

Landfill Infrastructure

Where there is an active and liquid market as evidenced by sales transactions of similar property types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB13. If a Market Approach is adopted, the asset valuation is deemed to be a Level 2 input.

The Fair Value should represent the highest and best use of the asset, i.e. the use of the asset that is physically possible, legally permissible, financially feasible, and which results in the highest value. Opportunities that are not available to the agency or entity are not considered. In this case we have assumed the current use is the highest and best use due to the specialist nature of the assets.

Due to the predominantly specialised nature of Local Government Assets, the landfill valuations have been undertaken on a Cost Approach (Depreciated Replacement Cost), an accepted valuation methodology under AASB13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- aa. Where there is no depth of market as determined for the Council assets, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.

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- bb. A condition assessment is applied, which is based on factors such as the age of the asset, overall condition, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied. The conditions assessed are considered a Level 3 input.
- cc. In determining the level of accumulated depreciation for major assets, we have disaggregated into significant components which exhibit different patterns of consumption (useful lives). Residual value is also factored which is the value at the time the asset is considered to be no longer available. The condition assessment is applied on a component basis.
- dd. While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value, useful life, and asset condition) were also required (level 3).

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics.

The landfill infrastructure assets were segregated into Storage, Monitoring, Water Supply, Fixed Plant, Plant & Equipment and Site works; Water supply and Site works assets were further componentized. Unit rates and lump sums were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction Handbook and quotations, these rates were reviewed by council staff. Raw Costs were increased up to 27% depending on project complexity to allow for project overheads including survey, environmental and investigation costs, engineering design, planning and project management.

A site inspection was carried out as part of the valuation process. However none of the sub-surface assets were inspected due to their inaccessible nature.

Plant & Machinery, Computer Equipment and Furniture & Equipment

These classes of assets were revalued in June 2016 through a management review in order to comply with the mandatory requirements of Reg. 17A of the Local Government (Financial Management) Regulations. The additions since that time are shown at cost and given their level of currency, it is deemed the written down values approximate fair values.

Plant and Machinery assets are generally valued using the market approach using comparable sales and relevant industry market price reference guides, and have been classified as being valued at Level 2 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

Level 3 valuation inputs were used to determine the fair value of the City's furniture and equipment. The valuation methodology was determined having regard to the lack of a market and sales evidence, and the level of specialisation of the assets.

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Available for Sale Financial Assets

This class of asset is the Local Government House Trust that the City holds. There are 620 units in total managed by WALGA and the City holds 8 of them. The value of these units is based on the net assets stated on the WALGA's balance sheet. At the end of each financial year, WALGA representative advises the value of the 8 units the City holds.

Infrastructure Assets (Roads, Footpaths, Drainage, Signs, and Lighting & Fences)

In accordance with AASB13 and legislative requirements, the City carried out internal management revaluations of its Roads, Footpaths, Drainage, Signs, and Lighting & Fences infrastructure assets as at 30 June 2018. These valuations were completed using the Cost Approach (Depreciated Replacement Cost), an accepted valuation methodology under AASB13. The cost approach is deemed a Level 3 Input.

The valuations were coordinated, developed and prepared in-house and formed by establishing unit rates for infrastructure replacement that consider labour, overhead costs and materials.

The unit rates are agreed by reviewing multiple sources as outlined below:

- 1) Current contract rates from the City of Cockburn's contract management system.
- 2) Internal knowledge from key operational stakeholders.
- 3) Current charge out rates for internal labour activities.
- 4) Rawlinson Construction workbook 2014.

The Condition profile of the City's infrastructure assets is measured using a 1 to 5 rating. This rating affects the remaining life of the asset and has been considered in preparing the valuations.

Road surface and footpath data is considered to have an accuracy level of 95% and all roads and footpaths have been segmented from intersection to intersection. The data recorded against each section includes surface area, surface type, date of construction and condition. The City undertook a full road surface and footpath condition assessment audit with Opus during late 2016.

Data is held for all storm water drainage assets including pits, pipes and sumps, and the pit type, pipe material and length and sump size and material. Where the construction year is unknown, this was assumed to be the same year as the road construction date. The data held for the storm water infrastructure is considered to have 85% accuracy. To improve this accuracy level and to validate the City's database an audit of the City's pits and pipes storm water assets was commissioned in 2013 and was completed within two years. A condition assessment audit of the entire sump fencing was undertaken in 2012 by the Asset Services team, which also

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clarified any uncertainty of the material types. Sump fencing was included in the revaluation of Fences.

Marina Infrastructure & Parks Equipment.

The Marina Infrastructure was revalued by AssetVal in 2016. The Infrastructure asset is due to be revalued along with Landfill Infrastructure, Land and Building revaluation in 2019/20.

The City will perform a formal Audit on all Parks Hard Equipment in 2018/19.

36 (d) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Liabilities				
Borrowings	12(b)	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

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36 (e) Fair Value measurement using significant unobservable inputs (Level 3)

2017/18	Furniture Equipment	Computer Equipment	Available for Sale Financial Assets	Buildings	Infrastructure Roads, Drainage & Footpath	Parks Equipment	Landfill	Marina
Fair Value at start of period	1,870,689	598,759	123,808	217,312,860	596,871,082	46,204,658	21,769,438	51,662,441
Additions/Adjustment	638,150	4,537,689	(74)	3,985,125	18,117,756	12,877,928	107,177	-
Revaluation Increments/(decrements) recognised in Profit or Loss	-	-	-	-	-	-	-	-
Revaluation Increments/(decrements) recognised in Other Comprehensive Income	-	-	-	-	19,821,682	-	-	-
Transfer from/(to) Level 2	-	-	-	-	-	-	-	-
Disposals	-	-	-	(190,289)	-	-	-	-
Depreciation Expense	(361,032)	(982,607)	-	(5,987,676)	(14,971,605)	(3,772,152)	(1,085,041)	(945,814)
Fair Value at the end of period	2,147,807	4,153,841	123,734	215,120,020	619,838,915	55,310,434	20,791,574	50,716,627
Total Gains or losses for the period included in profit or loss, under 'other Gains'	-	-	-	-	-	-	-	-

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2016/17	Furniture Equipment	Computer Equipment	Available for Sale Financial Assets	Buildings	Infrastructure Roads, Drainage & Footpath	Parks Equipment	Landfill	Marina
Fair Value at start of period	274,162	810,037	123,808	125,484,173	648,113,445	44,394,918	22,823,280	-
Additions	1,739,036	-	-	100,204,965	25,071,521	4,429,830	106,235	52,608,256
Revaluation Increments/(decrements) recognised in Profit or Loss	-	-	-	-	-	-	(74,939)	-
Revaluation Increments/(decrements) recognised in Other Comprehensive Income	-	-	-	456,022	(61,964,546)	963,841	-	-
Transfer from/(to) Level 2	-	-	-	-	-	-	-	-
Disposals	(142,509)	-	-	(271,825)	-	-	-	-
Depreciation Expense	-	(211,278)	-	(5,360,475)	(14,349,338)	(3,583,931)	-	(945,815)
Impairment	-	-	-	(3,200,000)	-	-	(1,085,138)	-
Fair Value at the end of period	1,870,689	598,759	123,808	217,312,860	596,871,082	46,204,658	21,769,438	51,662,441
Total Gains or losses for the period included in profit or loss, under 'other Gains'	-	-	-	-	-	-	-	-

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37. Related Party Transaction

Key Management Personnel (KMP) Compensation Disclosure

	Actual	Actual
	2017/18	2016/17
The total remuneration for KMP of the City during the year are as follows:		
Short-term employee benefits	1,314,040	1,790,243
Post-employment benefits	112,078	159,432
Other long-term benefits	327,429	313,136
	1,753,547	2,262,811

Short-Term Employee Benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect of fees and benefits paid to elected members may be found at note 30.

Post-Employment Benefits

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

Other Long-Term Benefits

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

Related Parties

The City's main related parties are as follows:

i. Key Management Personnel

Any person(s) having authority and responsibility for planning, direct and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Entities Subject to Significant Influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint Venture Arrangements Accounted for Under the Equity Method

The interest in the joint venture arrangements is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture arrangements, refer to Note 17.

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Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	Actual 2017/18	Actual 2016/17
Associated Companies/Individuals:		
Sale of goods and services	-	-
Purchase of goods and services	-	-
Joint Venture Entities:		
Waste disposal payments made to Southern Metropolitan Regional Council	6,420,874	7,637,856
Amounts Outstanding from Related Parties:		
Trade and other receivables	-	-
Loans to associated entities	-	-
Loans to key management personnel	-	-
Amounts Payable to Related Parties:		
Trade and other payables	-	-
Loans from associated entities	-	-

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38. Opening & Closing Funds Used in the Rate Setting Statement

	2017/18	2017/18	2016/17
	(30 June 2018 Carried Forward)	(1 July 2017 Brought Forward)	(30 June 2017 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) - Rate Setting Statement	11,967,494	6,643,985	6,643,985
Comprises:			
Cash and Cash Equivalents	138,691,393	115,396,082	115,396,082
Financial Assets - Current	-	3,841,492	3,841,492
Trade & Other Receivables	8,240,088	6,894,909	6,894,909
Other Assets	282,233	911,565	911,565
Inventories	35,600	21,782	21,782
	147,249,315	127,065,830	127,065,830
Less:			
Trade & Other Payables	(10,516,264)	(9,381,006)	(9,381,006)
Provisions	(6,730,946)	(6,596,413)	(6,596,413)
	(17,247,210)	(15,977,419)	(15,977,419)
Net Current Assets	130,002,105	111,088,411	111,088,411
Less:			
Restricted Financial Assets - Reserve Funds	(110,905,097)	(97,962,610)	(97,962,610)
Committed Financial Assets (unspent grants & contributions)	(8,151,330)	(7,560,460)	(7,560,460)
	(119,056,427)	(105,523,070)	(105,523,070)
Add:			
Restricted Financial Assets held in Non Current Investments	1,021,816	1,078,644	1,078,644
Surplus/(Deficit)	11,967,494	6,643,985	6,643,985

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2017 Brought Forward position used in the 2018 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2017 audited financial report.

9 Coleville Crescent, Spearwood WA 6163
PO Box 1215, Bibra Lake DC WA 6965
P 08 9411 3444 F 08 9411 3333

cockburn.wa.gov.au



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