



City of Cockburn

Annual General Meeting of Electors

Agenda Paper

For Tuesday, 4 February 2020

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, 4 FEBRUARY 2020 AT 7.00PM

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 Section 5.27 of the *Local Government Act 1995* and the matters to be discussed are as follows:

3. ANNUAL REPORT

3.1 ANNUAL REPORT 2018/2019

- (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





Above: Aboriginal Cultural Dance Group
Front Cover: Walliabup Skate Park, Bibra Lake



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The Mayor, Councillors and the staff of the City of Cockburn acknowledge the Nyungar people of Beeliar boodja 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.

Elected Members and Executive Team 2018–2019

Elected Members



Logan K. Howlett, JP
Mayor



Lee-Anne Smith, OAM
Deputy Mayor and
Councillor, East Ward



Stephen Pratt
Councillor,
Central Ward



Philip Eva, JP
Councillor,
Central Ward



Michael Separovich
Councillor,
West Ward



Carol Reeve-Fowkes
Councillor,
West Ward



Chamonix Terblanche
Councillor,
East Ward



Kevin Allen
Councillor,
West Ward



Lara Kirkwood
Councillor,
East Ward



Chontelle Sands
Councillor,
Central Ward

Executive Team



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 retired
February 2019



Gail Bowman
Executive Manager
Strategy and Civic
Support from
February 2019

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.

Council Meeting Attendance of Elected Members 2018–2019

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

#Delegated Authorities Policies and Position Statements Committee



Mayor's Message

I am delighted to provide my eleventh annual report statement to the Cockburn community. The City continues to make significant progress in delivering the Strategic Community Plan, with a long list of infrastructure projects completed and forward planning for others underway.

To this end, Council adopted its Community, Sport and Recreation Facilities Plan which sets out a vision for the City of Cockburn's community facilities over the next 15 years until 2033.

The Plan provides strategic direction and guidance in the provision of community, sport and recreation facilities across the City with a proposed \$209 million worth of infrastructure and reserve development to serve the significant level of population growth.

The projects listed in this Plan are funded in a variety of ways, including municipal contributions, developer contributions, community organisation contributions, external grants and where necessary loan funds. The implementation of all community, sport and recreation facilities will continue to be subject to Council's annual budget deliberation process and dependent on the City's ability to leverage Council funding with external funding sources.



Mayor Howlett presented Desmond O'Brien of Coogee the WA Day Award in May 2019

Our annual Community Scorecard survey demonstrates yet again that traffic remained the number one priority issue for residents and businesses. To address this, we continued to prioritise investments in road programs and advocate for improvements to public transport. The majority of traffic issues involve the Cockburn Central/Armadale Road area, and it is pleasing to report the duplication of Armadale Road is due for completion in late 2019. This project will provide safer motoring for the 27,000 vehicles that use Armadale Road each day between Tapper and Anstey Roads.

The construction of a new bridge over the Kwinana Freeway connecting Armadale Road and North Lake Road will commence late 2019 – this is funded by the Commonwealth and State Governments, with the City contributing \$6 million to local road infrastructure. The bridge will help address significant congestion in the Cockburn Central area.

Last year, the City allocated \$40.9 million to capital work expenditure on roads, drainage, parks and community facilities, with a similar amount allocated for next year. The completion of Spearwood Avenue widening was welcomed by road users, while works started on significant upgrades to Jandakot Road. These works are both imperative for community safety and to reduce congestion.

I was delighted to open the magnificent Cockburn Bowling and Recreation Facility at Visko Park in Yangebup, as the bowling club celebrated its 54th year.

The Jandakot Volunteer Bush Fire Brigade will look forward to moving in to their new building in Banjup next year. It will be a welcome replacement to the former station, which was a 15m by 15m farm shed built in the 80s.

Cockburn ARC continues to perform above expectations resulting in the City undertaking a health club expansion needs and feasibility study, while making ongoing improvements such as



Artist Irene Osborne,
Spearwood resident
Tony Ravlich,
Mayor Howlett and
Spearwood resident
Len Glamuzina

the installation of shade sails outside and new features added to the leisure pool.

Work on concept plans, designs and consultation commenced for the Aboriginal Cultural and Visitors Centre in Bibra Lake and for the Treeby (Calleya) Community Centre and Sporting Club Rooms.

The City undertook the Seniors Right Sizing Housing Study last year to create a better market awareness of the different housing options that people are looking for in the established suburbs of Spearwood, Hamilton Hill and Coolbellup. Importantly, builders and designers will find this information highly relevant to consider when designing new homes or modifying existing ones for residents aged 50+ in Cockburn. The aim is to help people to remain in their suburb and in their own home for as long as they want to, without being forced to move.

Last year, we engaged with our community on more than 100 projects and received 56,200 visits to our engagement website Comment on Cockburn. We take community engagement

very seriously and continue to refine how we engage with our community so that everyone has an opportunity to have their say on what is of interest and relevant to them. Last year, we reviewed our community engagement policy and framework in line with our commitment to continually improve engagement with our community. Council adopted the IAP2 model which is regarded as best practice for community engagement, across Australia and internationally.

So while we reflect on another year in this annual report, we can now look much further back on the rich history of Cockburn since the City launched its Cockburn history website early 2019. It is a fabulous resource that will be updated on an ongoing basis as we see history in its making.

Logan K. Howlett, JP
Mayor

Report of the Chief Executive Officer



The City of Cockburn population forecast for 2019 is 117,500, and is forecast to grow to 161,000 by 2036 (Source: .id). As the population of our City continues to increase, the need for new infrastructure grows along with it. However, in this fast paced world it is not just infrastructure that is required; we also need to invest in and improve the way the City delivers its services.

In the City's Strategic Community Plan, the pace of innovation and cost of new technology has been identified as a key challenge for the City. Converting to digital solutions requires significant financial and human resources, so to remain fiscally and socially responsible the City is phasing this conversion over a number of years.

With this in mind, Council adopted its first Digital Strategy last year, a document that will guide the City in its digital priorities over the next four years.

The City's ongoing journey to digitise services has cut costs, reduced printed materials, provided business efficiencies and allowed us to respond

faster to customers. It also enables customers to access many services when they want them; not just during office hours. We continue to reinvest the savings in more digitisation and providing improved customer service.

We are mindful too, that many of our customers still want to do business face-to-face, over the phone and to receive printed material. Over time that may change, but to continue to provide the best access for our residents and ratepayers, we will continue to offer digital and non-digital options where appropriate.

Some digital highlights to date include the City's Finance department becoming 99 per cent paperless to internal and external customers; the implementation of self-service online zoning statements; and the ongoing review of all internal business processes. Cockburn was the first local authority in the State to have automated the provision of building data on a daily basis to the Building Commission. Our Smart Rates initiative has proved popular with residents. This allows ratepayers to elect to



Left:
CEO Stephen Cain
with student
folding cranes on
Hiroshima Day

Opposite:
CEO Stephen Cain,
New Energy
Corporation CEO
Jason Pugh and
Mayor Howlett

pay their rates at regular intervals and help manage their finances. These transactions are also fully automated, making it easier for customers and staff. To date, there have been 8,559 smart rate registrations, representing 17.2 per cent of all properties.

The City's Gross Regional Product is estimated at \$9.12 billion, roughly 3.7 per cent of the Gross State Product. There are 8,349 local businesses (3.6 per cent of the businesses in WA) providing 54,164 local jobs (4 per cent of the jobs in WA). In 2018, businesses told us they wanted more information and consultation from the City. As a result, the City employed a business engagement officer last year, who is working hard to improve engagement with the business community. A further priority area for this role will be listening to business to help us understand how we can reduce red tape.

Local government must be scrupulous in its procurement, ensuring fairness for all businesses and avoiding favouritism for certain suppliers. Last year, we undertook a comprehensive supplier integrity analysis. The purpose was to show linkages between suppliers and all

beneficiary owners, shareholders and directors of the suppliers and related companies. This measure helps us mitigate the risk of fraudulent and non-compliant behaviour within supply markets. The system integrity testing was very positive, but it will remain a feature of our fraud prevention program.

In the coming year, we will be engaging with our community to review our Strategic Community Plan. This is the primary document that charts the City's direction and lists our strategic aspirations. It reflects the priorities of our community, which is what we all come to work each day to fulfil. The annual Community Perceptions survey results tell us that the community continues to highly value what the City provides. For the benefit of all, our aim is that the new Strategic Community Plan will continue to deliver this outcome.

Stephen Cain
Chief Executive Officer

Demographic Data

2016

*annual resident population
Source: .id



years-old

Median age



Of all families
were couples
with children



Households with
mortgage



Households
renting



Of all residents
attending
education 14.7%
were attending
University



Median weekly
household
income



Median
weekly rent

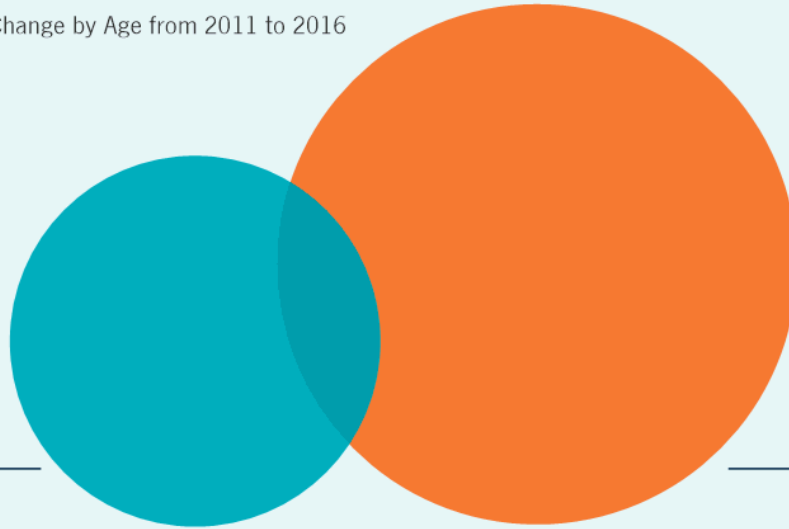


persons
by hectare

Population
density

City of Cockburn Population 2016

Population Change by Age from 2011 to 2016



Babies and pre-schoolers (0 to 4)	Primary schoolers (5 to 11)	Secondary schoolers (12 to 17)	Tertiary education and independence (18 to 24)
2016 7,581	2016 8,316	2016 7,087	2016 9,316
Young workforce (25 to 34)	Parents and homebuilders (35 to 49)	Older workers and pre-retirees (50 to 59)	Empty nesters and retirees (60 to 69)
2016 16,800	2016 23,959	2016 12,585	2016 9,121
Seniors (70 to 84)	Elderly (85 and over)	Total population change	
2016 6,552	2016 1,430	2016 111,787	

Source: .id

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Cultural Diversity in Cockburn



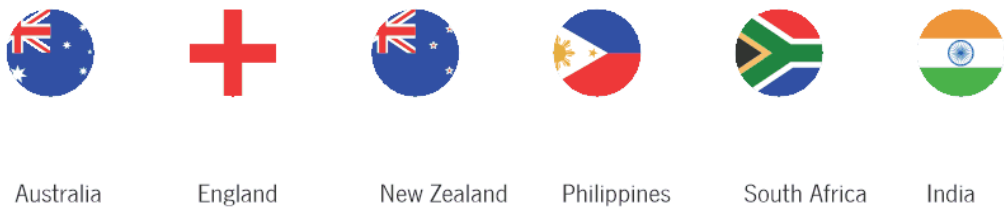
Diversity statistics in Cockburn from the 2016 Census

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

The most common ancestries



The most common countries of birth





Left:
Cockburn Care

Opposite:
Coogee Live

The common languages other than English spoken at home

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

你好

Ciao!

Zdravo

Olá

Kamusta

Mandarin

Italian

Croatian

Portuguese

Tagalog

The most common responses for religion

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 and Annual Business Plan detail area specific projects related to the Strategic Community Plan, some of which are detailed below.

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 2018–19, 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
- State of Sustainability Report and the Internal Audit Report.

Highlights From the Year



1. City Growth

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

Completed community consultation for the Yangebup Revitalisation Strategy

Continued negotiating for the long term development of aged care accommodation in Coolbellup to meet the shortage of affordable aged care accommodation in Cockburn's western suburbs

Initial consultation with residents and business owners has commenced for a new Local Planning Strategy which will take about two years to finalise

Early planning has commenced for the current City Administration to move to Cockburn Central.

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

The District Traffic Study 2013 was updated to prioritise and inform future road projects

The City participated in reference groups for several major road works under the control of Main Roads WA including Karel Avenue duplication, the Kwinana Freeway widening, Murdoch Drive, Armadale Road, and the North Lake Road bridge

Completed a number of major roads projects including Spearwood Avenue duplication and bridge construction, and Verde Drive extension with roundabout (Solomon Road)

A city-wide Parking Strategy was developed to plan for parking requirements.



3. Community, Lifestyle and Security

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

Two major community facilities were constructed and opened, the Cockburn Bowling and Recreation Facility in Yangebup and the Walliabup (Bibra Lake) Skate Park

Extensive planning and consultation for future community infrastructure has culminated in the adoption of the Community, Sport and Recreation Facilities Plan (CSRFP) 2018–2033

The South Lake Pump Track and Yangebup Pump Track have been completed and opened for community use

Construction work on Lakelands Hockey and Community Facility commenced.



4. Economic, Social and Environmental Responsibility

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

The State of Sustainability Report was presented which details a comprehensive update on the initiatives that have been achieved in this area. These initiatives are across all four areas of sustainability – Governance, Environment, Society and Economy

A local history website was developed and launched

A review of the Natural Area Management Strategy 2012–2022 was completed

The Wetlands Precinct Redevelopment has commenced with extensive consultation with key participants regarding the concept design

The City produced its first Cultural Diversity Strategy this year, recognising that individuals come from diverse backgrounds and are entitled to access opportunities, to participate, and contribute to the social, cultural, economic and political life of our community.



5. Leading and Listening

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

Reviewed and updated the City's Community Engagement Policy and Framework to continue strengthening our community engagement practice

Implementation of recommendations contained in the City's Cybersecurity Report commenced.

Community Scorecard Results 2019

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 – 2019

Overall performance	Performance Index Score*
The City as a governing organisation	70
Sport and recreation facilities	74
Enjoy living in the City of Cockburn	78
Maintenance of local roads	63
Customer service	68
Preservation and promotion of local history and heritage	63
Management of the environment	66
Safety and security	55
Mobile security patrols	57
Promotion and adoption of sustainable practices	66
Community buildings, halls and toilets	62
Streetscapes	58
Footpath and cycleways	59
Development of their local area	55
Traffic management	53
Feel included and connected to the community	62
Cockburn ARC	86

Percentage of population who agree	Agreement Index Score*
The City has developed and communicated a clear vision	52
The City has a good understanding of the community's needs	57

*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 seven or more out of 10. The surveys were conducted by Research Solutions.

Top: Ranger at Spearwood Vet
Right: Bibra Lake Regional Playground



Awards and Achievements

Award or Agency	Place and Category
2018 Infinity Awards	Highly Commended, Waste Team of the Year
2018 Infinity Awards	Commended, Community Waste Award
2018 National Growth Areas Alliance (NGAA) Awards	Winner, Building Connections in Growth Areas – Cockburn ARC
2018 Sport and Recreation Industry Awards	Winner, Places and Spaces: Planning and Design Award – Cockburn ARC
2018/19 Australian Institute Of Management WA Pinnacle Awards	Winner, PrintSync Marketing Excellence – Cockburn ARC
2019 Regional Awards of Excellence – Strategic Planning Award	Winner, Community Sport and Recreation Facilities Plan
Australian Sport, Recreation and Play Industry Awards 2018	Overall Winner, Australian Sport, Recreation, Play Innovation Award – Cockburn ARC
Australian Sport, Recreation and Play Industry Awards 2018	Winner, Facility Design and Development Award – Cockburn ARC
AustSwim	Recognised Swim Centre Award 2018 – Cockburn ARC
2018 Department of Transport Your Move Awards	Winner, Your Move Local Government Champion Award – Jillian Woolmer
2018 Department of Transport Your Move Awards	Winner, Your Move Local Government Innovate Award – Glow in the Dark Path
Regional Capitals Alliance of WA	Overall Winner, Most Accessible Community in Western Australia
Regional Capitals Alliance of WA	Winner, Most Accessible Community in Western Australia – Metropolitan Council

Award or Agency	Place and Category
Basketball WA Gala Awards 2018	Winner, Community Program of the Year 2018 – Cockburn Youth Centre
Public Health Advocacy Institute of WA	Highly Commended, Shade in Public Places
Public Health Advocacy Institute of WA	Highly Commended, Smoke Free Environments
Public Health Advocacy Institute of WA	Highly Commended, Aboriginal Child Health
Public Health Advocacy Institute of WA	Winner, Road and Active Transport Safety
Royal Life Saving Association – National Aquatic Industry Safety Award 2018	Winner, Excellence in Facility Management – Cockburn ARC
Royal Life Saving Association of WA Bravery Awards 2018	Winners, Gold Star Bravery Award – Cockburn ARC Lifeguards



Waste Services
Staff – Recycling
Award

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 through:

-  **109** engagement projects
-  **56,200** visits to the site
-  **2,858** registered participants
-  **3,666** survey responses.

Major engagement was undertaken last year for the following:

City Growth

Planning applications, Structure Plan and Scheme amendments.

Moving Around

Rockingham Road Town Centre Boulevard

District Traffic Study

Gaebler Road intersection changes

Harvest Lakes traffic management

Coolbellup traffic speeds

Cockburn to Fremantle bus service

Parking review Bibra Lake.



Community, Lifestyle and Security

Proposed dog park for Hammond Park

Wetlands Precinct Bibra Lake

Yangebup Revitalisation Strategy

Pontoons at Coogee Beach this summer

Pump Track, Barrow Park

Southwell Park upgrade

Draft Western Suburbs Sports Study

Draft Community, Sport and Recreation Facilities Plan

Treeby Community Centre

Bibra Lake Aboriginal Cultural and Visitors Centre

Play spaces – let our children play.

Economic, Social and Environmental Responsibility

Sustainability – how can we achieve it?

Plastics – how can we reduce them?

Leading and Listening

Your budget requests

Cockburn Creates, a participatory budgeting process

Lake Coogee – should part of Munster be renamed?

Digital Strategy

City of Cockburn draft Budget.



Left:
Cockburn Libraries

Opposite:
Cockburn Ranger

State of Sustainability

The City of Cockburn's ninth annual State of Sustainability Report is a snapshot of the City's collective efforts in working towards a sustainable future.

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 95 per cent of the key performance indicators were in progress or achieved during 2018–2019 reflecting the City's commitment to pursuing sustainability excellence.

Below is a snapshot of the City's sustainability highlights for 2018–19.

Sustainability Highlights

Achieved the City's renewable energy target by generating 23 per cent of power for Council buildings from solar photovoltaic systems

Installed solar photovoltaic systems on Lakelands Hockey Facility (40kW) and the Cockburn Bowling and Recreation Facility (30kW)

Undertook feasibility studies to increase renewable energy and battery storage at Cockburn ARC and the Operations Centre

Supported trials of Reconophalt in North Coogee using recycled road-surfacing material made from plastic and car tyres

Developed the Urban Forest Plan 2018–2028

Governance – 18 KPIs

50% complete

50% in progress

0% not started



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

39% complete

55% in progress

6% not started



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.



Rehabilitated 4.8 hectares of bushland

Delivered over 100 sustainability related events and workshops to the community

Free energy audits were delivered to 80 households

Continued the roll-out of more than 26,400 garden waste bins

Maintained a 'Zero Emissions Fleet' via the carbon offset program and undertook desktop analysis on electric waste trucks

Awarded 15 sustainability grants and 11 environmental education grants to enhance sustainability outcomes in the community

Rolled out a number of online systems to improve access to information and reduce paper usage

Developed the City's first Cultural Diversity Strategy

Awarded several new contracts to indigenous enterprises

Won a suite of awards for excellence in accessibility and inclusiveness, TravelSmart programs, and the Cockburn ARC

Constructed over 12,000m² of new pathways and cycleways to facilitate sustainable transport.

Society – 18 KPIs

55% complete

39% in progress

6% not started



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

33% complete

56% in progress

11% not started



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 2019–2020

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

Project	\$M
Roads, footpaths, drains and cycleways including Jandakot Road duplication, Karel Avenue and Verde Drive upgrades	23.65 (Includes State and Federal Government funding)
Construct Cockburn Wetlands Precinct facilities	5
Parks – new playgrounds and playground upgrades	5.4
Design of Frankland Park Sport and Community facility, Malabar Park BMX Facility, Beale Park redevelopment	2
Cockburn Coast Oval and club rooms design	3
Treeby Community and Sports Centre	0.4
Community grants and donations	1.45
Free community events	0.9
Streetscape renewal and street tree planting	0.3 Street tree planting

Major Strategies, Plans and Studies

Following is a snapshot of major activities planned for 2019–20.

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

Implement 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 TravelSmart Plan

Complete the Jandakot Road duplication, Verde Drive and Prinsep Road extensions.



3. Community, Lifestyle and Security

Review and update the Library Services Strategy

Commence construction of the Cockburn Wetlands Precinct facilities

Commence design of the Frankland Park Sport and Community facility, Malabar Park BMX Facility, and the Beale Park redevelopment

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

Install CCTV at priority locations

Undertake consultation and develop a concept plan for the Aboriginal Cultural and Visitors Centre

Undertake a concept and detailed design for Treeby Community and Sports Centre.



4. Economic, Social and Environmental Responsibility

Create an Asset Management Plan for the Cockburn ARC and Coastal and Marine Infrastructure

Review and update the Economic Development Strategy and incorporate tourism planning

Implement the Local Commercial and Activity Centres Strategy

Construct the Jandakot Volunteer Bush Fire Brigade building in Banjup

Implement the Greenhouse Gas Emissions Reduction Plan and the Urban Forest Strategy

Review and update the Waste Management and Education Strategic Plan 2013–2023

Conduct a feasibility study for the Henderson Waste Recovery Park

Research and develop a position on alternative-fuelled waste trucks

Develop a Climate Change Strategy

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.



5. Leading and Listening

Implement the City's first Digital Strategy

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

Undertake community and stakeholder consultation for the major review of the Strategic Community Plan 2016–2026.

Rates Allocation

The City uses rates to fund a range of services, with the following (percentage of total spend) allocated for 2019–20.





Top Left:
Cockburn Child Care

Top Right:
Waste Truck

Middle:
Lakelands Hockey &
Sporting Facility

Left:
Cockburn Libraries

Organisational Structure





Top: Parks Team
Middle: Cockburn Care
Bottom: Executive Support Services

Remuneration of Senior Employees

Annual Salary of Senior Employees

Annual Salary Range (\$)	No. of Employees
100,000 – 109,999	42
110,000 – 119,999	34
120,000 – 129,999	15
130,000 – 139,999	9
140,000 – 149,999	4
150,000 – 159,999	5
160,000 – 169,999	3
170,000 – 179,999	1
180,000 – 189,999	2
190,000 – 199,999	2
200,000 – 209,999	3
210,000 – 219,999	1
220,000 – 229,999	1
230,000 – 239,999	0
250,000 – 259,999	1
270,000 – 279,999	0
370,000 – 379,999	1

The 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.

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.

**75,000**

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

1.4 million

Attendances at Cockburn ARC

9,172

Number of jobs attended by rangers

32,533

Customer service requests raised

697,017

Items issued by Cockburn libraries.



Top:
CoSafe

Middle Left:
Artist Sharyn Egan
and Mayor Howlett,
Yandi Park

Middle Right:
Cockburn Libraries

Left:
San Cisco at
Cockburn Community
Concert

Governance

Compliance

The City's 2018 Compliance Audit Return indicated a conformity rating of 100 per cent. 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

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 29 FOI requests in 2018–19.

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 2005–2006 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.

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

External review of the City's Risk Management Framework and update of the framework;

Review of the City's Business Continuity Plans; and

Continual strategic and risk reporting and monitoring.

Complaints of Breach

The *Local Government Act 1995* requires a Register of Complaints against Elected Members to be maintained. For 2018–19, two official complaints were received and have been entered into the complaints register.

Complaint 1 – made by Cr Chontelle Sands

Councillor Lee-Anne Smith, the Deputy Mayor of the City of Cockburn, committed two minor breaches of Regulation 7 (1)(b) of the *Local Government (Rules of Conduct) Regulations 2007* (WA) when at the Special Meeting of Council held 22 August 2018 she:

- falsely stated that Cr Chontelle Sands was the subject of two minor breach complaints and an investigation by the Department of Local Government, Sport and Cultural Industries ("the Department"); and
- stated that Cr Chontelle Sands had lied about having an impartiality interest in respect to a matter previously considered by the Council;

In engaging in this conduct the Local Government Standards Panel found that Councillor Smith made improper use of her office as a council member with the intent to cause detriment to Councillor Sands.

The Panel (9 April 2019) censured Councillor Smith for the two breaches and required the following action under Section 5.110(6); that Councillor Smith:

- make a public apology to Councillor Sands
- be publicly censured by advertisement in the West Australian, Cockburn Gazette and Cockburn Herald newspapers

Complaint 2 – made by Cr Chontelle Sands

Councillor Lee-Anne Smith, the Deputy Mayor of the City of Cockburn, committed two minor breaches of Regulation 7 (1)(b) of the *Local Government (Rules of Conduct) Regulations 2007* (WA) when she:

- had discussions and made agreements with an applicant regarding a development application for the installation of electronic signage on land situated in the City; and
- drafted an alternative recommendation for the approval of the Development application and inclusion of certain development approval conditions proposed to be raised at the Ordinary Council Meeting of 10 May 2018.

The Panel (22 February 2019) censured Councillor Smith for the two breaches and required the following action under Section 5.110(6); that Councillor Smith undertake training 'Serving on Council'.

Library Services

Delivers exciting and an ever changing collection of materials, as well as a calendar of interesting events, activities and programs for all ages and interests through the City's three libraries; Coolbellup, Spearwood and Success.

Achievements

Customer service rating (see page 17 for details): 94%.

Cockburn's local history website was launched in February 2019, representing a major step forward in the City's commitment to recording local history

Received a grant for the federally funded program 'Be Connected' which will be used to introduce programs that encourage older people to learn to use digital technology

Annual library visits decreased by three per cent to 368,669

The number of items issued increased by five per cent to 697,017

Annual attendances to library events and services increased by two per cent to 26,393

Better Beginnings is about promoting the importance of reading to babies and encouraging early literacy and this year the library service distributed Early Literacy Kits to 3,039 children through 36 schools, five Child Health Clinics

A STEAM club educating young people with skills for the future has been introduced with a focus on the principles of science, technology, engineering, arts and maths

Scratch Coding for Beginners is running monthly for children to learn the basics of computer coding

Pram Jams, Storytimes and holiday programs for children were hosted

Events held included author talks, tech help, memory cafés to improve brain function, English conversation classes and sessions on sustainable lifestyles.

Library Book Week



Recreation and Community Safety Services

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 classes with staff and local primary schools

Ranger Services improved productivity this year through the development of online dog registrations and dog barking complaints.

The rangers attended 9,172 jobs, with dog (2,693) and parking-related (2,099) matters the most significant

During the year, City rangers attended 1,251 dog wandering and dog pick-up requests, of which 512 were collected and impounded. Of these:

- 437 dogs were released to owners
- 67 dogs were sent to rescue and rehoming
- Eight dogs were euthanised (on medical grounds)
- 357 cats were captured, of which
 - 51 were released to owners
 - 306 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

Installed CCTV at Bibra Lake Skate Park and Visko Park

Maintained and managed 500 CCTV cameras across the City

In addition to static cameras, CoSafe Officers were equipped with body-worn cameras capable of facial recognition.



Cockburn Ranger

Recreation and Community Safety Services (continued)

Emergency Services

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

Achievements

Commenced construction on the new Jandakot Volunteer Bush Fire Brigade building

Planned autumn hazard reduction burns throughout the City

Completed evacuation centre training for staff and the City's Local Emergency Management Committee

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

Continued to work with the CSIRO on a city-wide bush fire 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 17 for details):

Facility booking and management services: 98%

Management of facilities: 76.9%

Sports field hire and facility booking service: 100%

Management of sports fields: 79.2%

Implementation of online payments for casual facility bookings.

Recreation Future Planning

In 2018–19, the Council adopted the Western Suburbs Sporting Precinct Study (WSSPS) which investigated the development of seven different sport and recreation reserves in the western suburbs.

Following the adoption of the WSSPS, the Community, Sport and Recreation Facilities Plan 2018–2033 was adopted by Council. This plan will guide the development of community, sport and recreation facilities over the next 15 years.

Capital Works

The City progressed and completed a number of capital works projects, in particular the \$6.53 million Lakelands Hockey and Sporting Facility.

Planning started for a new community and sporting facility at Treeby, the Malabar Park (Cockburn BMX) redevelopment and Frankland Park development.

Club Development

Achievements

The City continued to provide ongoing support through its club development initiative, 'Champion Clubs' which included:

Seven workshops and events for local sporting club volunteers

Contribution of \$29,602 to 19 clubs for sporting equipment and minor capital works

KidSport – contributed \$147,480 vouchers (1,018 vouchers) towards 142 local sporting clubs

569 people registered for the Bibra Lake Fun Run

The City's Junior Sport Travel Assistance Program helped fund 112 junior athletes to represent WA or Australia in their chosen sport at a national and/or international event, equating to \$44,800 in grants.

Cockburn Aquatic and Recreation Centre (Cockburn ARC)

Cockburn ARC continued to achieve its mission of getting more people, more active, more often throughout 2018–19 period:

Achievements

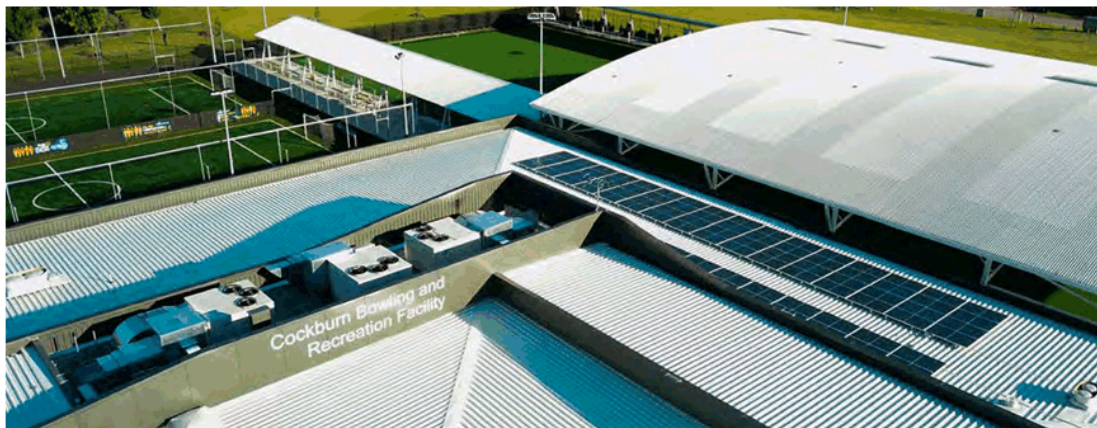
Cockburn ARC continues to perform exceptionally well in terms of customer service, and has an average Net Promoter Score of 67

Over 1.4 million visitations were recorded at Cockburn ARC, two per cent more than the previous year

Key programs and services at the Centres have continued to grow compared to the previous year, with all programs exceeding year four targets

Cockburn ARC has been nominated and received several industry awards over the year (see pages 18–19)

In partnership with Curtin University, Cockburn ARC has provided educational placements for 40 students studying sports science and provided health intervention programs for more than 100 participants.



Top:
Cockburn Bowling
and Recreation
Facility

Left:
Cockburn ARC

Community Development and Services

Child Care Services (CCS)

This service unit administers income from fees for the operation of the Family Day Care (FDC) service and In-Home Child Care (IHC) service. The Child Care Services operate in compliance with legislation and focus on continuing 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

FDC Service provided 335,000 hours of early childhood education and care

At 30 June 2019 the service was operating with 52 FDC educators registered under the Service Educator Membership Agreement and its policies.



Family Day Care

In-Home Child Care Service (IHC)

The Commonwealth has ceased funding the National IHC Program and significantly changed the criteria for families to receive education and care within the child's family home. The service now operates on a small fee for service from educators and parents of children in care.

✓ Achievements

IHC Service provided 50,000 hours of early education and care within the IHC Service

At 30 June 2019 the service was operating with 26 IHC educators registered under the Service Educator Membership Agreement and its policies.

Cockburn 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 17 for details): 93.3%

Provided a total of 40,055 hours of service and 5,167 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.

✓ Achievements

Provided 13,557 hours of client service

Transferred from Home and Community Care (HACC) to Commonwealth Home Support Program (CHSP).

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 19,749 hours of client services across three funding streams.

Home Care Packages

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

✓ Achievements

Provided 6,749 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 2,745 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 3,491 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 seniors.

The Age-Friendly Reference Group commenced in October 2018. The group is working on age-friendly initiatives and supporting the implementation of the City of Cockburn Age-Friendly Strategy 2016–2021.

Cockburn Seniors Centre

✓ Achievements

Customer service rating (see page 17 for details): 99.1%

1,137 members

Average 2,500 visits per month

91 volunteers contributed more than 300 hours per week

508 people attended Healthy Living classes for over 50s.



Cockburn Seniors Centre

Community Development and Services (continued)

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

48 households celebrated 'Neighbour Day' as part of the 'Get to know your Neighbour' program

12 training workshops to develop skills to build capacity within the community were attended by 204 community leaders and volunteers

13 community-led projects and events were delivered through the 'Project Support Program' initiative.

Cockburn Volunteer Resource Centre

Achievements

856 one-on-one individual volunteer consultations were conducted, 2,425 referrals were made to place prospective volunteers into community roles

205 volunteer organisations were assisted

The 2018 Inspirational Volunteer Awards attracted 63 nominations from 38 organisations.

1,563 'Very Important Volunteer' (VIV) Cards were issued, supported by 103 local businesses.

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 814 individuals and families in face-to-face consultations and the provision of a range of workshops

Cockburn Support Service helped 984 individuals and families in face-to-face consultations, support groups and workshops.

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 25 parenting courses or workshops to parents, including the Parenting by Connection, Baby Makes 3 and others

Community Education sessions including Teen Mental Health and Listening to Children were delivered to 286 individuals

Support, information, learning and referral was provided to 1,158 individuals through groups, workshops, and consultations.

Cultural Diversity

Working directly with people of Culturally and Linguistically Diverse (CaLD) backgrounds to ensure Cockburn is a welcoming and inclusive environment

for all. The area provides capacity building opportunities to enhance a sense of belonging and enable CaLD residents to fully participate in social, cultural, civic, and economic life.

Achievements

A seniors-focused Harmony Week event was attended by over 350 CaLD residents

Five cultural groups showcased their culture through performance and catering at a community Harmony Week event

Four capacity building workshops were held for incorporated cultural groups

Five informal consultations were held to identify needs and strengths of CaLD communities.

Children's Development

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

Conducted a creative play trial called Loose Parts in Parks in three locations, attracting 60–300 people per session

An intergenerational holiday program, Giant Games, was held at the Seniors Centre with 14 grandparents and 21 children

Froggy's Fun on the Green outdoor playgroup had a large increase in numbers, attracting 2,368 adults/3,042 children

Participants for skate park clinics increased to 1,007 across four skate parks since the new Bibra Lake Skate Park opened

A Sundowner informing the community about City services and activities attracted 33 attendees from 16 schools.

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 2018 had the theme 'Because of her, we can', celebrating the significant role that Aboriginal and Torres Strait Islander women play in families and community. This was celebrated with the screening of a video interviewing and acknowledging the strength and contribution of a number of local women

Reconciliation Week 2019 had the theme of 'Grounded in Truth', highlighted at the City's

Flag Raising ceremony with guest speakers telling stories from their lives, as a means of connecting and building honest relationships with others

Aboriginal cultural competency training was delivered to several community groups

Architects were selected for the development of the concept design for the City's proposed Aboriginal Cultural and Visitors Centre.



Reconciliation Week

Community Development and Services (continued)

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).

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

Auslan (Australian sign language) interpreting was provided for the Celebrate Ability event and the ANZAC Day dawn service

Auslan theatrical interpreting was provided for the first time at the Christmas on the Green event, enabling the deaf and hard of hearing community to participate

Audio description and video captioning was provided at the Coogee Live event, for a visual acrobatic show on the beach. An accessible tactile tour was run by Disability in the Arts, Disadvantage in the Arts, Australia (DADAA). A silent movie with headsets was also provided

Recreation matting and the beach wheelchair were provided at outdoor events to enhance access

The human library was set up for Youth Week and Coogee Live to explore stereotypes and prejudices, with storytellers with backgrounds including CaLD, LGBTQI+ and disability

An accessible van was used in transporting seniors with access needs

The Disability Access and Inclusion Officer, with feedback from the Disability Reference Group, created an accessible events module for the annual events workshop for staff

A portable Radio Frequency (RF) hearing loop was purchased for use at events

A survey was completed by a selection of contractors and grant recipients to check their understanding of their DAIP obligations

A new Access and Equity policy was developed in consultation with the City's Disability Reference Group

Disability Awareness Training was conducted for staff

An independent access audit was conducted on all City buildings and facilities

Suicide prevention training was provided to the community at no cost to benefit the health, wellbeing and social inclusion of people with disability

Accessible programs for children and youth with disability were promoted

Cockburn Care provided respite support and services for older people with disability

Inclusive sports programs and clubs i.e. basketball, were supported at Cockburn ARC

Communication pictures are used in customer service areas to increase communication with people who are non-verbal and/or of CaLD backgrounds

Cockburn ARC continued its affiliation with the Companion Card Program, so that people with disability can bring a carer along for free.

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

Infra-red hearing loop technology was installed to assist with community consultation

Beach matting was laid again at Port Coogee Marina for the summer season

A floating beach wheelchair and sand rider beach wheelchair were purchased and provided for free hire for people with disability at the beach

Southwell Park, Ramsay Park and Mellor Park playgrounds were upgraded with accessible play equipment, accessible pathways and park furniture

Pathway improvements were implemented at community request

Disability Reference Group was consulted on a range of projects

Accessibility checkpoints are now built into City procurement processes

Sensory quiet time sessions were introduced at Cockburn ARC for people who are impacted by sensory differences.

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

The City's 2.0 AA level compliant Web Content Accessibility Guideline (WCAG) rating is constantly monitored with monthly and annual audits in addition to ad-hoc compliance testing with regards to the addition of new features and/or content to the websites. The City aims to increase the level of compliance to WCAG 2.1 accreditation, further improving digital information access for the community

The City has engaged VisAbility to assist with the conversion of documents to accessible format. The colour contrast analyser tool has also been used on various publications

A full time Digital Communications Officer role is employed to manage and maintain the City's accessible web services

Staff have access to specialised accessibility training, including improved accessible software for graphic designers, a five-day certificate level digital accessibility course, and accessible documents training

The City continued to support an interpreting and translation budget.

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 a range of training sessions to enhance their knowledge and understanding of access and inclusion

The City continued its subscription to Access Awareness E-books which include checklists for accessible and inclusive facilities, programs and services

Occupational health and safety induction training included disability access and emergency egress considerations.

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

Complaints processes were promoted among staff, outlining the range of options for residents wishing to lodge a complaint

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 utilises 'Comment on Cockburn' online engagement, and has added an Auslan-interpreted and captioned video to encourage the deaf and hard of hearing community to fully participate in public consultation

The City continued to facilitate monthly Disability Reference Group meetings.

Community Development and Services (continued)

Disability Access & Inclusion (continued)

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with City of Cockburn

7.15 per cent of the City's workforce identify as having a disability and are employed in a range of areas including our parks and executive teams

People with disability undertook work experience at the Cockburn Youth Centre and the Cockburn Seniors Centre

Social procurement awareness training has been provided to staff, with the aim of increasing social procurement in partnership with West Australian Disability Enterprises. This resulted in a number of new contracts being awarded

The City won awards for accessibility and inclusion – see pages 18–19.



Floating Wheelchair,
Ngarkal Beach, North Coogee

Youth Services

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.

Youth Services administers grant and Council funded services, programs and community development. Provides events and facilities to increase support, activity and leisure opportunities for young people.

✓ Achievements

Customer service rating Youth Centre (see page 17 for details): 96%

Animated video released to increase awareness of the City's Youth Services Strategy 2016–2022.

Youth Support Services

✓ Achievements

Employed three full-time youth workers to support at-risk young people aged 12–18 years and their families

Supported 65 young people to develop and work intensively towards the achievement of individualised case plan goals.

Youth Centre

✓ Achievements

Supervised six placement students, two were later employed by the centre, and another joined the City's Youth Advisory Collective (YAC).

Youth Development

✔ Achievements

Expanded the YAC membership to twelve

Promoted 12 young person-focused 'Good News Stories' including the City's young citizen of the year, young person selected for an international youth exchange to Hong Kong.

Youth Programs and Events

✔ Achievements

260 young women attended skating coaching clinics and events

1,509 youth participated in four school holiday excursion programs

Provided 172 supervised driving hours to young people through the RYDE supervised driving program

1,290 young people attended the after school Blissco mobile youth sessions in four suburbs.

Grants & Research

The Grants & Research team provides a central coordinating service for the distribution of the City's grants, donations and sponsorships 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 2018–19, \$1.35 million was made available to the community through this fund.

✔ Achievements

A new community funding framework and policy was approved by Council

Assisted with the development, coordination and submission of many successful grant applications and award nominations.



Women's Skate Clinic

Corporate Communications

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

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, two-day coastal event

The Show Off 14 Art Exhibition involved 65 artists

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



Civic Events

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

✓ Achievements

Twelve Citizenship Ceremonies – 1,035 people from 98 countries became Australian citizens. The top 10 represented countries were (from highest to lowest): Philippines, United Kingdom, India, China, Malaysia, South Africa, Italy, Ireland, Iran and New Zealand.

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 17 for details):

Front counter 98%

Contact centre 83.6%

107,954 calls were received by the Contact Centre

10,644 enquiries were made at the front counter

32,533 customer requests were raised

6,608 transactions were processed at the front counter.



Left:
Pioneers Luncheon
May 2019, Cr Carol
Reeve-Fowkes,
Patricia Howlett,
Frances Bucat and
Cr Lee-Anne Smith

Opposite:
Show Off –
Art Exhibition
Cassandra Cooper,
Patricia Howlett
and Mayor Howlett

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, industrial and commercial properties in the City, provides and maintains buildings and other facilities on Council property for community use, and promotes and implements sustainability. This directorate maintains the City's plant and vehicle fleets.

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.

**5,850**

Tonnes of waste diverted from landfill and recycled at Henderson Waste Recovery Park

79,948

Bins lifted per week by the City's trucks

5,000

Trees pruned under power lines

226

Playgrounds maintained

893

Kilometres of verges maintained



Top:
Port Coogee
Marina

Middle:
Spearwood
Heritage Artwork
Wall dedication
June 2019

Left:
Bibra Lake
Regional
Playground

Spend on Asset Development and Operational Activities

Asset Development	\$M	Operational Activities	\$M
Landfill site	0.2	Plant maintenance	3.1
Plant – new and replacement	2.6	Facilities maintenance	6
Parks and environment	5.3	Marina and coastal	1.4
Roads, footpath and drainage	19.5	Waste disposal	7.3
Developer contributed infrastructure	8.4	Roads, footpaths and drainage maintenance	8
Buildings	9.7	Parks and environment maintenance	16
Marina and coastal	0.7	Waste collection	12.9
Total	46.4	Total	54.7



Paddock Parade in Cockburn Central

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 licence 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 17 for details): 98.1%

6.7 per cent of recyclable items (5,850 tonnes) were recovered and diverted from landfill including 134 tonnes of recyclable items sold at the Re-use Shop

Complete the masterplan for the redevelopment of HWRP

43 tonnes of toxic household hazardous waste were diverted from landfill

3.7million m³ of landfill gas was captured, down by 12.5 per cent from the previous year

Completed waste service agreement for the long term waste to energy disposal of municipal solid waste

Constructed two separate drop off areas at the transfer station to eliminate the safety hazard for users at the push wall.

Waste Collection Services

Provide 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

An average of 79,948 bins per week were emptied, an increase of 12 per cent from the

previous year. This equates to 4,157 million bins emptied over the year by 15 waste trucks

Received general waste tonnages by 16.8 per cent over the year, largely due to the introduction of the 24,720 garden waste bins that collected 4,882 tonnes of green waste. This decrease occurred despite the allowance for an extra 750 tonnes from an additional 950 new residential properties

2,781 tonnes of hard waste and 1,603 tonnes of green waste were collected in the City's verge collection program. This represented a decrease of 5.1 per cent from the previous year

Recovered and recycled 2,384 (60 tonnes) mattresses, 201 tonnes of scrap metal and 7 tonnes of e-Waste

228 tonnes of waste were collected by our illegal dumping crew

Approved 24 waste management plans for developments

Installed 12 public place recycling enclosures.



Cardboard Compactor at Henderson

Waste Services Business Unit (continued)

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

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. 13,518 residences doorknocked and 45,725 bins audited

Introduced compostable dog bags

Managed the State Government changes to recycling rules by rolling out information campaign and updating all material

Received Waste Authority grants for a cardboard compactor and a commercial food waste trial

Introduced Western Australia's first Sea Bin at Port Coogee Marina

Created waste truck videos to explain to developers the importance of good road layout and building design to accommodate waste management

Introduced the Waste Wise Events Policy

Supported the roll-out of the State's Plastic Bag Ban through video and community events.

Compostable
Dog Bags



Parks & Environment Services

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 17 for details): 71.7%

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



Dixon Reserve Adventure Playground

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

Maintained over 600 hectares of turf and landscaping at sporting ovals, passive parks and community facilities

Managed park infrastructure valued at \$65 million

Managed 226 playgrounds

Maintained 121 hectares of streetscapes, including roundabouts, median strips and verges

Maintained 893 kilometres of road verges

Undertook annual turf analysis, soil assessments and sport oval renovations

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

Street Tree Management

✔ Achievements

Completed 1,840 tree maintenance customer requests

Pruned over 5,000 trees under power lines.

Parks & Environment Services (continued)

Groundwater Operating Strategy

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

Achievements

Monitored 223 bore locations to inform individual water budgets for each park

Maintained 11 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 and Environmental Regulations 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 13 playgrounds including Blackburn Park, Boyd Reserve, Hargreaves Park, Jan Hammond Park, Kennack Park, Lucken Reserve, Marshwood Reserve, Reeves Park, Steiner Park, Touchell Park and significant upgrades at Brandwood Reserve and Southwell Park

Replaced irrigation systems at Katich Park and Atwell Oval

Renewed 16 groundwater pump units

Upgrades to Kooboolong Park, Tangle Park, Hakea Park and Broadwater Park

Planted 1,250 street trees

Streetscape enhancements to Wentworth Parade and Alabaster Drive

Constructed a clay pump track at Barrow Reserve.

Shade Sail Strategy

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

Achievements

Installed shade sails at the following parks: Beaumont Park, Marquis Park, Perdita Park, Ronsard Park, Spinnaker Park, Tranquil Park and Weetman Park.

Bibra Lake Management Plan

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

Achievements

Completed repair works to the foreshore retaining wall adjacent the Bibra Lake picnic area, including earthworks, revegetation plantings and the installation of turtle breeding enclosures.

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

Landscape design drawings compiled for the enabling works to the Coogee Café precinct.

North Coogee Foreshore Management Plan

The plan provides for the development of the northern section of the CY O'Connor Reserve to improve the amenity of adjacent residents and the wider community.

✓ Achievements

Contract awarded for the delivery of sewer, potable water, electrical cabling and toilet facility.

Cockburn Central West Memorial Walk

✓ Achievements

Installed 36 interpretive signs commemorating Australia's involvement in conflicts throughout history.

Revitalisation Strategies

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

✓ Achievements

Completed planting program to streets in Spearwood

Contract awarded for the construction of the Len Packham nature playground, Coolbellup

Completed upgrades to Dodd Park, Hamilton Hill

Completed South Lake fenced dog exercise area

Made improvements to Lots 12 and 52 Briggs Street including vegetation removal, bollard and gate installation, earthworks and pathways

Completed upgrade of Ramsay Park, including landscaping, shelter and path.

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

Revegetated 4.8 hectares of degraded bushland with 67,107 plants

Continued the feral animal control program at reserves throughout the City

Completed dieback mapping at Bosworth, Denis de Young, Rose Shanks, Success, Triandra and Yangebup Reserves with re-treatment being undertaken at Denis de Young

Veldt grass control measures in Bandicoot, Banksia Eucalypt Woodland, Bibra Lake, Denis De young, Little Rush Lake, Manning, Success and Yangebup Reserves to reduce fuel loading and prevent biodiversity loss

Fire control measures implemented on a number of reserves to minimise fire risk

Assessment completed of the North Lake Road and Beeliar Drive fauna underpasses

Vertebrate Fauna Survey (Level 1) undertaken at Boorn Park and Djidi Djidi Reserve

Completed condition rating of 16 reserves encompassing 173 hectares.

Parks & Environment Services (continued)

Capital Works Projects

✓ Achievements

Engaged project manager and architect for the Wetlands Precinct project

Sourced new artificial reef structures for the Coogee Maritime Trail

Completed the board walk extension at Eco Park

Developed the Yangebup and Little Rush Lake Master Plans

Installed a hard edge at Market Garden Swamp to restrict grass encroaching into the wetland

Installed possum bridge across Beeliar Drive (between Spearwood Avenue and Hammond Drive), linking Yangebup and Kogalup Lakes.

Grants

✓ Achievements

Supported four landowners to maintain and protect remnant bushland and wetlands through the Landowner Biodiversity Conservation Grants

Supported the State Natural Resource Management funding program, partnering with the South West Group to implement a Fox Collar Program Study. The primary objective of this project was to gather additional information about how these animals move across the urban environment, which will be used to develop more effective control programs

Delivered Stage 2 of the Local Projects Local Jobs Urban Greening Project with community participation. This included the installation of native trees along Cockburn Coast and the tramway trail.

Community Events

✓ Achievements

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

Hosted a Green Army work team with other south metropolitan councils. The Green Army is a practical environmental action program that supports local environment and heritage conservation projects across Australia

Hosted the Terrific Turtle Fest in partnership with the Wetlands Precinct

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

Facilitated volunteer activities in the City's conservation reserves

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

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

Participated for the third year in the Great Aussie Backyard Bird Count which is a national citizen science program that collects data on common birds

Guided indigenous walks at Banksia Eucalypt Woodland and Bibra Lake.

Energy and Emissions Reduction

✓ Achievements

Completed the annual greenhouse gas emission inventory

Maintained a Zero Emissions Fleet via the carbon offset program

Offered free energy audit advisory visits for 40 households, community and child care centres.

Sustainability

✓ Achievements

Updated the Sustainability Policy to include provisions for new Council facilities to allocate three per cent of the project cost for innovative Environmentally Sustainable Design

Coordinated a revision of the Community Garden Policy and guidelines to facilitate the establishment of community gardens

Developed the Urban Forest Plan 2018–2028

Coordinated the Sustainability Committee to facilitate sustainable outcomes in the workplace

Awarded 15 sustainability grants to community groups, small business, collective households and schools

Developed the '15 Ways To Sustainable Living' and 'Sustainable Living Events' booklet

Completed the Smart Park Sustainability Study to guide future management of the park.

Water Campaign

✓ Achievements

Submitted the annual Waterwise Council Report on water reduction targets to the Water Corporation. The City maintained its gold Waterwise Council status

Delivered the waterwise verge subsidy scheme to 17 households

The Yangebup Lake nutrient stripping basin (stage 2) was commissioned

Active member of WA's Water Sensitive Cities Transition Network

Cockburn ARC awarded Waterwise Aquatic Centre accreditation.



Waterwise Verge Garden

Parks & Environment Services (continued)

Environmental Education

✓ Achievements

Conducted 29 environmental education excursions/incursions for over 1,000 school students

Conducted 10 school revegetation excursions for over 380 students

Ran 25 events for 900 participants for the Get Wild about Wetlands holiday program

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 events for five local high schools and 86 students

Enabled two 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 the 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

Hosted three sustainability internships delivering projects on establishing green spaces in residential developments, home energy assessment toolkits, and social rehabilitation.

Community
Planting Day,
Bibra Lake



Roe 8 Rehabilitation Project

Funded by Main Roads WA

Achievements

Continued implementation of the 10-year Rehabilitation Management Plan

Established Rehabilitating Roe 8 Advisory Committee

Development of cultural protocols and Community Expectations Report

1,912 volunteer hours contributed

Volunteer contribution valued at \$57,360

346 attendees at community on-ground events

Completed revegetation program with 52,500 plants

Completed invertebrate monitoring program

Completed vegetation monitoring program in partnership with Murdoch University

Completed weed mapping of site

Coordinated 32 weeding days in conjunction with local community groups

Ran two community capacity building workshops

Held Community Open Day

Completed 18 hectares of weed control

Five schools engaged in on-ground activities and environmental education.



Community Planting,
Malvolio Park

Infrastructure Services

Project Management & Development Services

Project manages the planning, design and construction delivery, including contract administration, of larger value building and facility infrastructure capital works projects. Assist in the development and application of best practice project management systems and processes across the organisation.

Achievements

Supported the development of the following key projects from the Community, Sport and Recreation Facilities Plan 2018–2033 including:

- The construction of the Lakelands Reserve Hockey Facility
- The Cockburn Bowling and Recreation Facility at Visko Park in Yangebup
- Aboriginal Cultural and Visitor Centre
- Calleya Estate Treeby Community Centre
- Frankland Park Recreation Centre
- Malabar Park BMX Facility
- Wetlands Education Precinct.

Undertook minor upgrades to the Administrative Building, Youth Centre, Jean Willis Centre, Operations Centre.

Asset Services

To ensure that Council's assets meet and provide the required levels of service in the most cost effective method through an optimal balance of creation, preservation, enhancement and disposal.

Achievements

Continued development and roll-out of the work management mobility strategy, including Geographic Information System (GIS) access in the field and in-field asset data access and updating for Community Safety and Parking Compliance and open space infrastructure, road, footpath and kerbing condition and defect survey

- Ongoing implementation of the Project Portfolio Management System.

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 upgrades and refurbishments at Coogee Beach Surf Life Saving Club, Cockburn Youth Centre, the Jean Willis Centre, Success Regional Sports Centre, Beale Park Clubrooms and Jandakot Hall, and sign installation across the City

Undertook disability access improvement works

Reviewed and updated the asbestos audit and associated improvement works across the City's building portfolio

Replaced underperforming air conditioning systems for reduced running costs and energy emission reduction benefits

Installed sensors and data management software to improve data capture and fault finding of the City's photo-voltaic (solar) systems.

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

The marina fuel facility opened

Roll-out of new software for managing the marina pens

Pen occupancy rate of over 95 per cent

Development of a business case for the expansion of the marina to create over 100 new boat pens, including preparation of concept designs for jetties, parking and related facilities plus financial modelling to support the project

Refurbishment of the Port Coogee fishing jetty, to treat and prevent corrosion

Upgrade of existing navigation marks and installation of an additional beacon on the Port Coogee breakwaters, to make navigation in and out of Port Coogee safer and easier

Completion of planning for an accessible storage base at Ngarkal Beach for the Coogee Beach Surf Life Saving Club and the City's new beach wheelchairs

Continuation and improvement to the City's coastal monitoring program, with the installation of photo monitoring point markers and expansion to include built coastal structures and awarding of a new four-year monitoring contract

Triennial sand bypassing undertaken at Port Coogee, to nourish Coogee Beach and maintain the natural southward drift of beach sand past Port Coogee.

Sand bypassing completed at CY O'Connor Beach to rebuild the beach and address erosion

The marina fuel facility open in November 2018

Installed Western Australia's first Seabin.



CY O'Connor statue,
CY O'Connor Beach

Engineering Services

Road Construction Services

Construct and maintain roads, drains and associated infrastructure.



Achievements

Customer service rating (see page 17 for details): 72%

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

Completed Spearwood Avenue Duplication and Bridge between Beeliar Drive and Barrington Street

Completed Verde Drive extension Biscayne Way to Solomon Road

Completed new footpaths in Lyon Road, Solomon Road, Sudlow Road, Rowley Road, Russell Road, Cockburn Road, Frankland Avenue and North Lake Road

Completed drainage improvements at Jakovich Park, Menas Place, Hamilton Road, Jewell Gardens

Completed drainage sump upgrades at Powell Reserve, Peace Park, Evelyn Massey Park and Giudice Way

Completed the construction of the Black Spot projects for the extension of the left turn at the Wentworth Parade and Beeliar Drive intersection, Spearwood Avenue and Rockingham Road intersection upgrade, and extended turning areas and added right turn pocket Phoenix and North Lake Roads

Completed the annual bus shelter upgrade program with the Perth Transport Authority.



Cockburn Bowling and Recreation Facility Opening Cr Kevin Allen, Cr Stephen Pratt, Cr Carol Reeve-Fowkes, Cr Philip Eva, Cr Lara Kirkwood, Mayor Logan Howlett, Senator Slade Brockman, Cr Chontelle Sands, CEO Stephen Cain

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

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

Completed the design of the Prinsep Road extension to Verde Drive and the Verde Drive extension from Solomon Road to the Armadale Road extension

Completed the design for Jandakot Road widening and Solomon Road to Berrigan Drive

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

Assisted Main Roads Western Australia with the design of the Murdoch Activity Centre Link, Armadale Road duplication and the Armadale Road to North Lake Road Bridge projects.



Reconophalt Coogee

Engineering Services (continued)

Road Planning & Development Services

Ensure development occurs in accordance with all relevant Australian Standards, WA Planning Commission Conditions and Council's development guidelines and specifications.

Achievements

Completed the road design projects including a detailed plan for Jandakot Road duplication between Berrigan Drive and Solomon Road, the design for Verde Drive extension from Biscayne Way to Armadale Road and the design for connection of Prinsep Road to Armadale Road

Completed the design for the black spot projects Rockingham Road, Phoenix Road and North Lake Road

Completed 60 per cent of design for Hammond Road widening from Bartram Road to Branch Circus and the design for Frankland Avenue from Gaebler Road to Frankland Avenue Road

Completed 80 per cent of various traffic, storm water and drainage sump projects

Engineering construction drawings of 27 subdivisions have been reviewed, approved and construction managed successfully

120 crossover applications and building permit applications including residential premises have been 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

Complete the review and improvement of the process to assess and approve the traffic management plans and construction management plans submitted for roadworks, events and building activities on the City's road network completed

Completed requests for traffic calming

Completed the traffic management projects for Banksia Court cul-de-sac, Nadilo Drive and Burrridge Way on-street parking

Completed the Coleville Crescent bike boulevard project development and submitted to the Department of Transport for funding approval

Completed review and update of the City's District Traffic Study

Completed the submissions for the Black Spot Program 2020–2021 Federal and State Black Spot funding

Completed the Russell Road Corridor Planning Study.



Top:
Russell Road and
Hammond Road
intersection, Mayor
Howlett, Hon. Roger
Cook – Deputy
Premier of Western
Australia and
CEO Stephen Cain

Left:
Ossie Pereira,
Road Design
Services



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.

**\$506 million**

Value of building works approved

\$372.9 million

estimated construction value of development applications received over the year

1,068

Number of complaints about noise

806

Number of development applications assessed



Top: Hamilton Hill Senior High School redevelopment
Bottom: Yandi Park

Planning & Development Directorate

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 17 for details)
Building Services: 82%
Swimming pool inspections: 95.1%

2,230 building permits issued

Total value of building works \$506 million

Fee income \$848,000

Average time of fifteen working days to issue all building permits

The average issuance time for a building permit in 2018–19 was:

- Certified – nine working days
- Uncertified – 22 working days.

Electronic Lodgement System

Over the past year, 53 per cent of all building permit applications were lodged online. Work will continue through the 2019–20 financial year to prepare for further process upgrades to facilitate the increased uptake of online submissions.

Other Building Services approvals:

- Issued 116 occupancy permits
- Issued 73 demolition permits
- Issued 32 sign licences
- Issued 19 built strata title clearances.

4,027 mandatory private swimming pool inspections.

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 generally each 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
30/06/16	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
30/06/19	2,230	506	0.848	988	27	46	1169

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 17 for details): 72.8%

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 (HEAL) Program (HEAL) continues to be supported and sponsored by the City and, in the last 12 months, there have been over 188 clients undertaking assessments. Achievements include:

- 75 per cent of participants lost weight
- 79 per cent reduced hip circumference
- 67 per cent reduced BMI and waist circumference respectively
- 50 per cent increased serves of vegetables daily and 44 per cent increased serves of fruit
- 58 per cent improved their fitness
- The City sponsored the Healthy Schools pilot program run through CHLP to deliver nutrition education at 12 local schools to over 850 school children
- Provided 692 free health checks at City-run events of which 214 participants were found to be at risk of developing Diabetes Type 2 and/or had BMI over 30
- The City continued to support 10 Heart Foundation Walking groups
- Major new men's health program Man v Fat was launched, resulting in 88 players losing 370kg.



Man v Fat

Planning & Development Directorate (continued)

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

Twelve infringements were issued for non-compliance with the Food Standards Australia New Zealand Food Safety Standards and Food Code. Three \$1,000 infringements were issued to companies and nine \$250 infringements to individuals. One infringement was forwarded to the Fines Enforcement Registry for non-payment. All infringements issued under the *Food Act 2008* totalled \$5,250.

One Food Act prosecution was undertaken with a fine of \$60,000

Officers conducted 1,071 inspections of 787 food premises resulting in 48 improvement notices being issued for serious items to be completed

Approved 56 new (or amendments to) food businesses

Approved 443 mobile food vendors

Conducted four training sessions for 70 potential food handlers.

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

42 noise management plan approvals were issued for night time works on essential infrastructure

1,068 noise complaints were received by the City, with 765 received outside normal working hours. This is a decrease of 37 complaints from last year and a breakdown of complaints received follows with about 60 per cent being due to noisy music or parties.

Type of noise complaint	Received within work hours	Received outside work hours
Air conditioning	9	0
Alarms	7	12
Birds	14	0
Construction	40	47
Industrial	15	0
Music	124	523
Power tools	23	38
Swimming pools	4	0
Transport	13	14
Vibration	8	3
Other	46	128
Total	303	765

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

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. One infringement penalty of \$500 was issued for failure to abate dust/sand from a property.

Mosquito Program

Mosquito activity last season was low across Perth due to local weather conditions.

There are a total of 633 infrastructure locations within 18 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 16 notifications for RRV from the WA Department of Health for follow-up patient interviews

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

In total, 313 sites in 18 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

154 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 28 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 17 for details): 83.1%

Received 1,015 development applications, 0.4 per cent down from the previous year

Assessed 806 applications, a decrease of seven per cent over the previous year

598 development applications were required to be determined within 60 days. The City determined 89 per cent of those applications within 60 days

208 development applications were required to be determined within 90 days. The City determined 85 per cent of those applications within 90 days

Planning & Development Directorate (continued)

Statutory Planning Business Unit (continued)

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

1,672 new lots were approved (green title, survey strata and built strata), a decrease of 10 per cent from the previous year

Approved 40 new Local Development Plans for small lot development, an increase from 39 in the previous year

Logged 238 development compliance matters, an increase of five per cent over the previous year. Resolved 246 compliance matters, a decrease of nine per cent over the previous year

The estimated construction value of all development applications received over the year decreased by seven per cent over the previous year to \$372.9 million

Issued 2,359 zoning statements, a decrease of 11.7 per cent over the previous year

Finalised second stage of a new online planning application lodgement and reporting system to improve the customer experience and provide more efficient processing

Introduced a new self-service online zoning statement service to improve the customer service experience and internal efficiencies.

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 scheme amendments, formulates strategies, and adopts 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 Geographic Information Services expertise relevant to planning, and administers geographic naming and street numbering.

✔ Achievements

Customer service rating (see page 17 for details): 100%

Ensured comprehensive application of the City's developer contribution plans including the timely closure of the Development Contribution Plans 2, 3 and 7

Introduced additional exemptions to the liability for development contributions to cater for the types of developments undertaken by Cockburn landowners and increase alignment with the intent of the State's infrastructure contribution policy

Commenced creation of a new Development Contribution Plan 15 for the Treeby East oval and clubrooms

Progressed the structure plan for the Hamilton Hill High School site

Commenced re-assessment of the local planning framework for the Australian Marine Complex – currently being considered to change to a 'Strategic Industry' zone

Undertook a number of structure plan rationalisations in preparation for a new local planning scheme

Progressed structure plans for Hammond Park, Beeliar and Munster, and amendments in Cockburn Central North to further progress these areas towards mixed-use residential development outcomes

Considered responses to the advertised key issue papers underpinning the preparation of the City's new Local Planning Strategy and Scheme and undertook further consultation with key stakeholders

Undertook the My Best Home project which seeks to improve the information available to residents, builders, designers, architects and real estate agents on how to design age friendly homes in Cockburn's most established suburban areas

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

Assisted the GIS Team progress plans to transition the City's spatial mapping system to a new provider.

Land & Lease Administration

Administers leases and licences which span commercial, community and tourism purposes, and 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

Contributed to the planning of the Jandakot Road upgrade by facilitating the land acquisition process for stage 1 road widening requirements

Worked with Main Roads WA to acquire land associated with the Armadale Road and North Lake Road bridge project including the upgrade of Verde Drive and Prinsep Road


Prepared land assets ready for disposal in accordance with the Land Management Strategy (2017–2022)

Prepared lease documentation for new City assets and tenants including the City's new hockey facility at South Lake

Managed leasing requirements for the City's community, recreation and commercial assets.

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.



\$1.09 million	Net Operating Result
\$1.25 billion	Value Net Assets



Top: Sustainability Committee
Bottom: Disability Enterprise Group

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

Significant improvement in safety culture resulting in the achievement of lowest Lost Time Injury Frequency Rate, lowest incidents per 100 employees and lowest days lost per incident in many years

Expansion of range of online training courses developed in-house

Implementation of a range of injury management and injury prevention initiatives for both work and non-work related issues that has decreased both the frequency and duration of absenteeism

Completed review of all Health and Safety procedures and policies to ensure currency and relevance

Creation of two new Indigenous Trainee positions.



Safety Representatives 2019

Financial Services Business Unit

Internal Audit

Internal audit activities for the year were aligned to the City's three-year Strategic Internal Audit Plan. The plan is driven by the City's risk assessments with those areas considered high or substantial risk included. The City completed internal audits on internal communications and financial management (systems and procedures), which were reported to the July 2019 Audit Committee Meeting. An audit engagement into the City's land development activities and developer contributions framework was also carried out during the year, with a final report planned to be presented to the November 2019 Audit Committee Meeting.

2018–19 coincided with the final year of the current strategic internal audit plan. A new plan was subsequently developed for the 2019–22 three-year period and approved at the July 2019 Audit Committee Meeting. This includes inherent and individual risk topics specific to the City's needs such as privacy of data and information, contract management and service delivery planning effectiveness.

The Office of Auditor General (OAG) took over auditing responsibilities for local governments several years ago and commenced a program of performance audits. The City was not directly impacted by these during the year but took the opportunity to review the findings of several of these audits and report them to Audit Committee (with improvement recommendations where appropriate). These included corporate credit cards, records management and annual 2017–18 financial audit results across the sector.

External Audit

During the year, delivery of the City's financial audits was formally tendered out by the Office of the Auditor General (OAG). This followed previous legislative change making the OAG responsible for all local government audits and the sub-contracting of the City's 2017–18 financial audit to the City's previous auditor (Macri Partners).

KPMG were the successful tenderer and have since completed the City's 2018–19 financial audit. This included interim audit work during June 2019, where the City's internal controls and procedures were documented by KPMG to establish an understanding of the City's financial management environment and to inform the audit plan. An audit entrance meeting was then held with the OAG and KPMG in July 2019 to review and discuss the audit plan.

The audit of the City's annual financial report was completed in November 2019 and both the audit management letter and annual financial report were presented to a specially convened meeting of the Audit & Strategic Finance Committee held in December.

Achievements

No significant internal control failures or errors were detected during the audit and the 2018–19 financial report received an unqualified audit opinion.

Financial Services Business Unit (continued)

Financial Systems Development

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

Achievements

The pilot phase of the Project Portfolio Management (PPM) solution successfully went live in March 2019, marking a significant achievement in the City's project governance and management requirements. This solution implementation has also been a driver for change management and technological improvement. The pilot phase roll-out will continue, further embedding PPM competencies across the organisation

The City completed the Australasian LG Performance Excellence Program survey for the third year of a three-year commitment. A significant component of this survey relates to financial data, with data capturing techniques further refined to improve quality and efficiency of the process. The City will continue its participation in the survey and relies on effective data capture and reporting to ensure the accuracy of the survey results attained.

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

Completion and commissioning of the City's 'cloud' based fees and charges solution, allowing greater visibility and transparency over the annual fee setting and revenue budgeting process

The City's financial statements are now published directly from source data using the TechnologyOne publisher module. This eliminates manual table conversions and reduces human error in the finished product

Successfully completed and implemented a new reporting tool to meet the City's statutory requirement to report all taxable payments (TPAR) to the Australian Taxation Office from 2018–19 onwards.

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

Improvements made to market engagement documentation and the evaluation system in order to better achieve procurement outcomes for project delivery across the City

The City's procurement policy was revised to better reflect legislative requirements. Opportunities to leverage value from the local business economy have been strengthened and it reinforces the principle of corporate social responsibility in the City's procurement spend.

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

Implemented a new debt recovery module, delivering significant efficiency benefits

Streamlined the financial reporting requirements and reconciliation of the Building Services Levy and Building and Construction Industry Training Fund

Converted a number of properties rated under the Unimproved Value (UV) method to the Gross Rental Value (GRV) method. This initiative ensures all properties across the City are properly rated according to their land use and involves an increasing level of consultation with affected property owners, as well as the Department of Local Government, Sport and Cultural Industries.



Budgeting and
Financial Reporting
Services

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

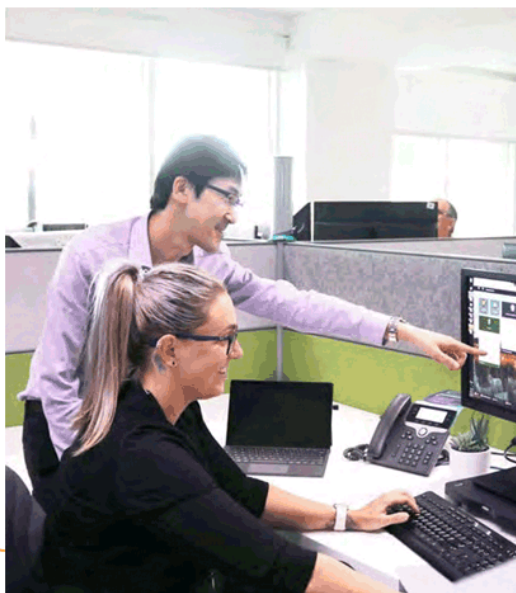
Stage 1 renovations of Administration data centre (server room) completed

Continued roll-out of public Wi-Fi

Rolled out new multi-function devices across the whole organisation

Progressed CCTV network separation

Commenced implementation of Cyber Security Plan.



Information Services Business Unit

Business Systems

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

✓ Achievements

Started city-wide business process review

Undertook feasibility study for Live Chat

Put Environmental Health Services applications online with inspections available via tablet

Added more Statutory Planning online applications

Automated zoning statement creation process

Continued roll-out Emplive rostering system

Undertook full system TechnologyOne upgrade

Implemented single touch payroll

Implemented new marina software

Updated financial counselling system to meet legislative requirements

Redeveloped Cockburn Community Groups and history websites.

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.

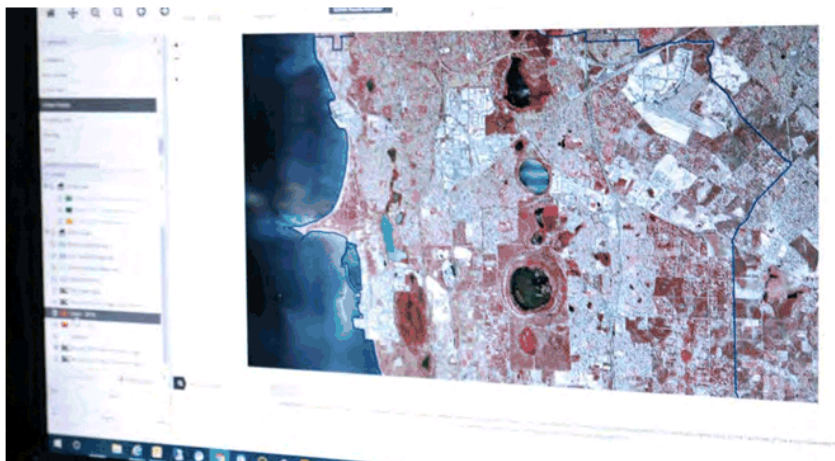
✓ Achievements

Commenced the IntraMaps replacement project with ESRI

Developed Cockburn Explore bike map for City website

Mapped the tree canopy within the City

Designed and implemented internal Dial Before You Dig system.



Top:
Geographic
Information
Systems (GIS)
Services

Left:
Urban Forest –
Tree Canopy

Information Services Business Unit (continued)

Records Services

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

Achievements

Completed stages 2 and 3 of the Knowledge Management project

Reviewed and implemented improvements to archiving processes

Digitised hard copy Council minute books

Upgraded Enterprise Content Management (ECM) to 2018A release.



Records Services

Recordkeeping Compliance

[Evaluation of recordkeeping systems](#)

Reviewed the City's Records Management Policy which was subsequently adopted by Council.

[Recordkeeping Training 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. Participants must undertake and pass a short assessment at the completion of the course. Employees must then repeat the course every two years.

An online course outlining the recordkeeping responsibilities of Managers and Supervisors has also been implemented.

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

[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.

[Recordkeeping Induction Program](#)

New staff must complete the Records Awareness Training (RAT) and, where relevant, ECM training as part of their induction.

New Managers/Supervisors are also required to complete the online Recordkeeping Training for Managers and Supervisors.

Recordkeeping is also highlighted in the online corporate inductions that are coordinated by the Human Resources team.

Financial Report

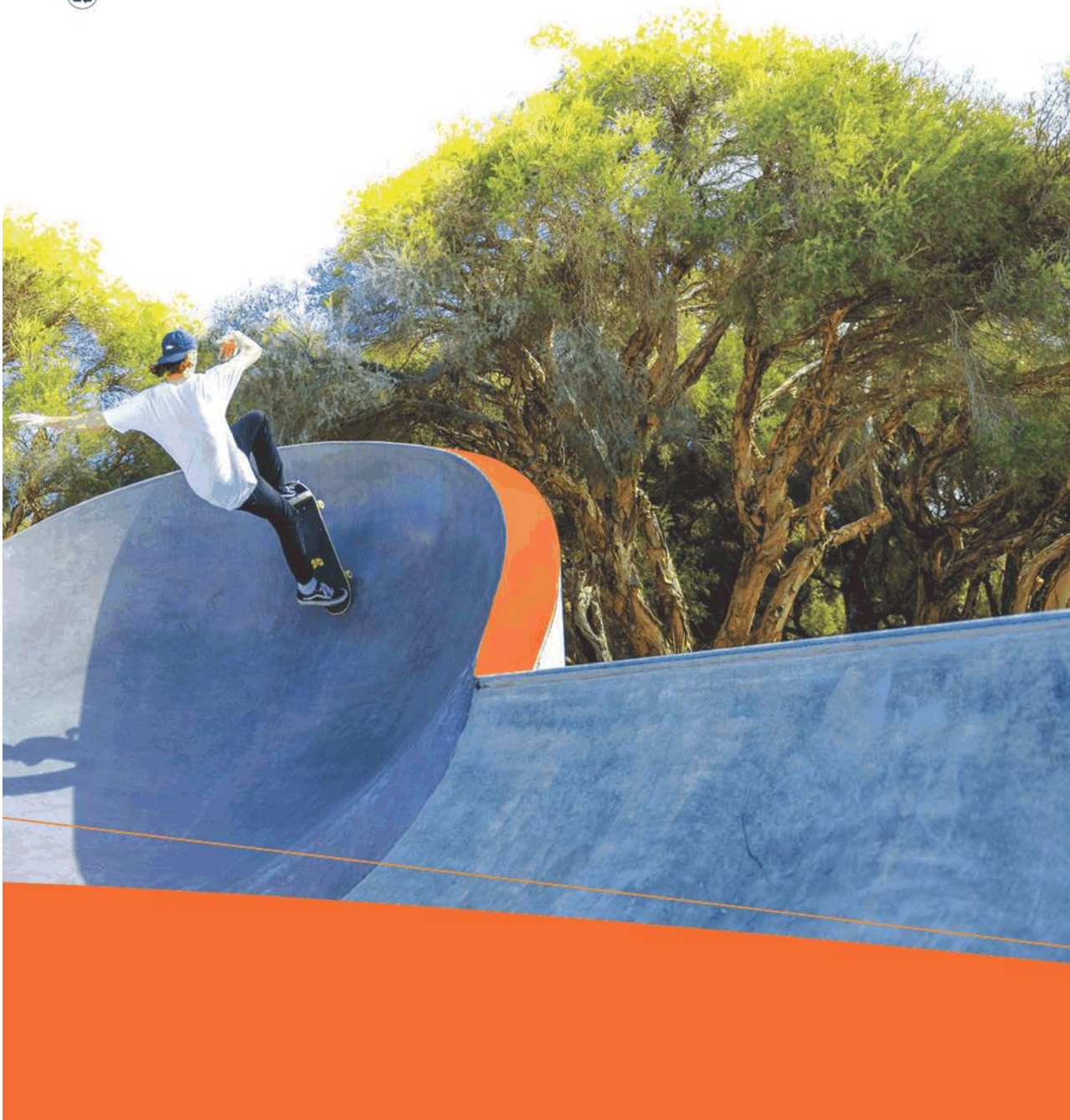
To view the City of Cockburn Annual Report 2018–19 Financial Report
visit City of Cockburn website: Corporate Strategic Planning:
www.cockburn.wa.gov.au/Council/About-Council/Strategic-Planning#annualreport



City of Cockburn Administration Building

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cockburn.wa.gov.au





City of Cockburn
Annual Report
2018–2019

Financial Report



cockburn.wa.gov.au



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors 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 2019, 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 2019 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 annual 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 annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, 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.

Emphasis of Matter – Restatement of Comparative Balances

I draw attention to Note 39 to the financial statements which states that the amounts reported in the previously issued 30 June 2018 Annual Financial Report have been restated and disclosed as comparatives in this Annual Financial Report. My opinion is not modified in respect to 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 an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual 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 annual 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 annual 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 annual 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 annual financial report, including the disclosures, and whether the annual 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) In my opinion, the following material matter indicates significant adverse trend in the financial position of the City:
 - a. The asset sustainability ratio as reported in Note 21 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last two financial years.
- (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 ratios for 2017 in Note 21 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

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 2019 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
13 December 2019


City of Cockburn
Financial Report
For the year ended 30 June 2019

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 2019 is based on proper accounts and records to present fairly the financial position of the City of Cockburn at 30 June 2019 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 // of December 2019


S Downing
Chief Executive Officer (Acting)



City of Cockburn
Financial Report

Statement of Comprehensive Income

by Nature or Type

for the Year Ended 30 June 2019

	Notes	Actual 2018/19 \$	Budget 2018/19 \$	Actual 2017/18 (Restated)† \$
OPERATING REVENUE				
Rates	23a	103,651,315	103,700,000	99,600,112
Specified Area Rates	23b	531,685	450,000	408,143
Fees and Charges	26	30,518,189	28,988,612	28,700,746
Operating Grants and Subsidies	25	12,786,397	12,233,842	12,800,692
Contributions, Donations and Reimbursements		1,733,551	1,249,689	1,561,499
Interest Earnings	2a	5,760,699	4,994,467	5,066,912
Total Operating Revenue		154,981,837	151,616,611	148,138,103
OPERATING EXPENDITURE				
Employee Cost		(56,782,611)	(56,695,329)	(54,561,331)
Materials and Contracts		(40,200,101)	(41,892,804)	(38,763,925)
Utilities		(5,480,584)	(5,460,583)	(5,142,827)
Interest Expenses	2a	(1,070,204)	(2,375,945)	(1,088,053)
Insurances		(1,745,071)	(1,485,000)	(1,322,018)
Other Expenses	2a	(7,731,006)	(7,839,706)	(7,329,360)
Depreciation on Non Current Assets	2a	(32,138,002)	(31,121,718)	(30,273,367)
Interest Expense - Provision for Site Rehabilitation	13	168,821	-	(155,782)
Amortisation on Landfill Infrastructure and Rehabilitation Asset	2	(8,912,463)	(1,139,280)	(2,889,917)
Total Operating Expenditure		(153,891,221)	(148,010,366)	(141,526,579)
		1,090,616	3,606,245	6,611,524
NON-OPERATING ACTIVITIES				
Non-Operating Grants, Subsidies and Contributions	25	12,695,763	10,133,695	11,455,693
Developers Contributions Plans: Cash		8,485,923	5,910,000	8,734,325
Gifted Subdivision Assets	9b, 10b	9,439,171	-	12,168,364
Increase/(Decrease) in Investment in Associate	17	(881,985)	-	(14,096,082)
Other		16,403	-	(74)
Assets Gifted to Other Parties	4b	(1,873,635)	-	(741,058)
Recovery of Financial Investment	2a	830,780	-	-
Profit on Sale of Assets	20b	2,789,916	1,984,604	474,814
Loss on Sale of Assets	20b	(973,437)	(224,876)	(190,288)
Total Non-Operating Activities		30,528,899	17,803,423	17,805,693
NET RESULT		31,619,515	21,409,668	24,417,217
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	15	21,290,331	-	19,821,682
Total Other Comprehensive Income		21,290,331	-	19,821,682
TOTAL COMPREHENSIVE INCOME		52,909,846	21,409,668	44,238,899

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

† Restated - Refer note 39



City of Cockburn
Financial Report

Statement of Comprehensive Income by program			
For the year ended 30 June 2019	Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)#
Notes	\$	\$	\$
REVENUES			
Revenue From Ordinary Activities			
General Purpose Funding	114,307,338	113,414,800	109,115,819
Governance	627,064	115,485	261,058
Law Order & Public Safety	1,221,362	742,922	923,561
Health	367,956	323,500	344,738
Education & Welfare	8,349,716	8,449,044	9,771,219
Community Amenities	11,279,915	10,292,645	9,862,148
Recreation & Culture	12,655,477	12,701,127	12,568,328
Transport	445,918	281,509	408,296
Economic Services	1,869,446	1,977,301	1,825,077
Other Property & Services	3,857,645	3,318,278	3,057,859
TOTAL OPERATING REVENUES	154,981,837	151,616,611	148,138,103
EXPENSES			
General Purpose Funding	(1,633,094)	(1,460,097)	(1,885,973)
Governance	(10,379,977)	(12,005,159)	(10,379,245)
Law Order & Public Safety	(6,790,447)	(6,629,038)	(6,776,487)
Health	(2,364,483)	(2,507,925)	(2,293,065)
Education & Welfare	(15,472,229)	(16,214,899)	(15,647,106)
Community Amenities	(39,256,633)	(33,347,841)	(33,200,684)
Recreation & Culture	(43,170,992)	(41,530,429)	(38,635,086)
Transport	(27,889,089)	(27,867,743)	(26,895,201)
Economic Services	(2,581,274)	(2,633,442)	(2,732,097)
Other Property & Services	(4,353,003)	(3,813,793)	(3,081,635)
Total Operating Expenditure	(153,891,221)	(148,010,366)	(141,526,579)
	1,090,616	3,606,245	6,611,524
NON-OPERATING GRANTS/CONTRIBUTIONS TOWARDS ASSETS: CASH			
General Purpose Funding	3,217,623	3,208,945	3,300,000
Governance	114,910	-	490,681
Community Amenities	-	-	929,634
Recreation & Culture	4,184,438	3,012,000	8,596,708
Transport	9,802,813	7,601,695	4,271,772
Other Property & Services	3,861,902	2,221,055	2,601,223
	21,181,686	16,043,695	20,190,018
Gifted Subdivision Assets	9b, 10b	9,439,171	-
Assets Gifted to Other Parties	4b	(1,873,635)	-
Increase/(Decrease) in Investment in Associate	17	(881,985)	-
Other		16,403	-
Recovery of Financial Investment	2a	830,780	-
PROFIT/(LOSS) ON DISPOSAL OF ASSETS			
Education & Welfare	20b	-	20,000
Recreation & Culture	20b	(973,437)	-
Transport	20b	236,424	(224,876)
Other Property & Services	20b	2,553,492	1,964,604
		9,347,213	1,759,728
		(2,384,325)	
NET RESULT	31,619,515	21,409,668	24,417,217
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes on revaluation of non-current assets	15	21,290,331	-
			19,821,682
Total Other Comprehensive Income		21,290,331	19,821,682
TOTAL COMPREHENSIVE INCOME		52,909,846	44,238,899

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.
Restated - Refer note 39



City of Cockburn
Financial Report

Statement of Financial Position

As at 30 June 2019		30 June 2019	30 June 2018 (Restated)†	1 July 2017 (Restated)†
	Notes	\$		
CURRENT ASSETS				
Cash and Cash Equivalents	3	7,586,674	791,393	2,919,242
Financial Assets	4a	157,400,000	137,900,000	114,741,492
Trade & Other Receivables	6	11,133,763	8,240,088	8,471,749
Other Assets	7	187,192	282,233	911,565
Inventories	8	33,335	35,600	21,782
Total Current Assets		176,340,965	147,249,315	127,065,830
NON CURRENT ASSETS				
Financial Assets	4a	1,141,031	1,145,550	1,202,453
Interests in Investment in Associate	5	675,004	1,556,989	15,653,071
Trade & Other Receivables	6	1,018,156	958,125	858,657
Property, Plant and Equipment	9a	335,763,145	336,010,448	328,223,270
Infrastructure	10a	795,402,490	761,666,096	731,846,783
Rehabilitation Assets	11	25,370,319	24,777,879	26,019,998
Total Non Current Assets		1,159,370,144	1,126,115,087	1,103,804,232
TOTAL ASSETS		1,335,711,109	1,273,364,402	1,230,870,062
CURRENT LIABILITIES				
Trade & Other Payables	12a	12,778,469	10,516,264	9,381,006
Borrowings	12b, 22	4,770,060	4,000,000	3,800,000
Provisions	13	12,299,621	6,730,946	6,596,413
Total Current Liabilities		29,848,150	21,247,210	19,777,419
NON CURRENT LIABILITIES				
Other Payables	12a	2,441,341	-	-
Borrowings	12b, 22	19,163,523	23,753,809	27,760,080
Provisions	13	33,575,922	30,591,057	29,799,136
Total Non Current Liabilities		55,180,787	54,344,866	57,559,216
TOTAL LIABILITIES		85,028,937	75,592,076	77,336,635
NET ASSETS		1,250,682,172	1,197,772,326	1,153,533,427
EQUITY				
Accumulated Surplus		563,455,915	555,366,216	544,482,356
Reserves - Cash/Investment Backed	14	142,586,243	119,056,427	105,523,070
Revaluation Surplus	15	544,640,014	523,349,683	503,528,001
TOTAL EQUITY		1,250,682,172	1,197,772,326	1,153,533,427

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

† Restated - Refer note 39



City of Cockburn
Financial Report

Statement of Changes in Equity				
	Accumulated Surplus	Reserves (Note 14)	Revaluation Surplus (Note 15)	Total Equity
For the year ended 30 June 2019	\$	\$	\$	\$
Balance as at 1 July 2017	553,757,996	105,523,070	503,528,001	1,162,809,067
Adjusted due to Restatement	(9,275,640)	-	-	(9,275,640)
Balance as at 1 July 2017 (Restated) #	544,482,356	105,523,070	503,528,001	1,153,533,427
Net Result #	24,417,217	-	-	24,417,217
Other Comprehensive Income	-	-	19,821,682	19,821,682
Total Comprehensive Income #	24,417,217	-	19,821,682	44,238,899
Transfer (from)/to Reserves	(13,533,357)	13,533,357	-	-
Balance as at 30 June 2018 #	555,366,216	119,056,427	523,349,683	1,197,772,326
Net Result	31,619,515	-	-	31,619,515
Other Comprehensive Income	-	-	21,290,331	21,290,331
Total Comprehensive Income	31,619,515	-	21,290,331	52,909,846
Transfer (from)/to Reserves	(23,529,816)	23,529,816	-	-
Balance as at 30 June 2019	563,455,915	142,586,243	544,640,014	1,250,682,172

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

Restated - Refer Note 39

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Statement of Cash Flows			
For the year ended 30 June 2019	Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)#
Notes	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Cost	(56,476,590)	(56,695,329)	(54,353,417)
Materials and Contracts	(39,679,430)	(41,860,811)	(38,615,499)
Utilities	(5,480,584)	(5,460,583)	(5,142,827)
Interest Paid	(1,070,204)	(708,945)	(1,088,053)
Insurances	(1,745,071)	(1,485,000)	(1,322,018)
Other Expenses	(7,557,692)	(9,140,388)	(7,329,360)
GST on Payments	(8,469,395)	(4,414,353)	(6,989,765)
	(120,478,965)	(119,765,409)	(114,840,940)
Receipts			
Rates & Specified Area Rates	103,831,112	104,150,000	99,948,077
Fees and Charges	27,557,103	28,988,612	28,876,540
Contributions, Donations and Reimbursements	1,733,551	1,249,689	1,561,499
Interest Received	5,663,580	4,994,467	4,796,061
Grants & Subsidies - Operating	12,786,397	12,233,842	12,800,692
Other Revenue/Income	(423,286)	-	422,812
GST on Receipts	3,478,373	731,251	967,807
GST Refunded by ATO	4,212,267	3,683,102	7,488,923
	158,839,097	156,030,963	156,862,410
NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	16a 38,360,131	36,265,554	42,021,469
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale on Non Current Assets	20b 8,603,151	3,887,000	1,651,090
Purchase Furniture and Equipment	(59,434)	(30,000)	(414,049)
Purchase Computer Equipment	(1,088,550)	(1,063,280)	(1,340,778)
Purchase & Construction of Infrastructure Assets	(26,126,511)	(26,323,008)	(18,839,953)
Purchase Plant and Machinery	(2,606,865)	(4,161,000)	(3,967,809)
Purchase & Development of Land	(2,698,942)	-	(674,483)
Purchase & Construction of Buildings	(10,192,523)	(9,344,800)	(13,104,344)
Capital Grants, Subsidies & Contributions	12,695,763	10,133,695	11,455,693
Developer Contribution - Cash	8,485,923	5,910,000	8,734,325
Assets Gifted to Other Parties	(1,873,635)	-	(741,058)
Recovery of Financial Investment	2a 830,780	-	-
Payments for Term Deposits	(19,500,000)	-	(27,000,000)
Proceeds from Sale of Maturing Investments	20,922	-	3,898,320
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(33,509,920)	(20,991,393)	(40,343,047)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts/(refund) of bonds	5,938,610	-	-
Loan Principal Repayment	(3,993,540)	(2,500,000)	(3,806,271)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	1,945,070	(2,500,000)	(3,806,271)
Net Increase/(Decrease) In Cash during year	6,795,281	12,774,161	(2,127,848)
Cash & Cash Equivalents at Beginning of Reporting Period	791,393	(590,530)	2,919,242
CASH & CASH EQUIVALENTS AT END OF REPORTING PERIOD	3,16b 7,586,674	12,183,631	791,393
<i>The Statement of Cash Flows should be read in conjunction with the accompanying notes.</i>			
<i># Restated - Refer note 39</i>			

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Rate Setting Statement				
For the year ended 30 June 2019		Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)†
	Notes	\$	\$	\$
Operating Revenue				
Specified Area Rates	23b	531,685	450,000	408,143
Fees & Charges	26	30,518,189	28,988,612	28,700,746
Service Charges		-	-	-
Operating Grants & Subsidies	25	12,766,397	12,233,842	12,800,692
Contributions, Donations, Reimbursements		1,733,551	1,249,689	1,561,499
Interest Earnings	2a	5,760,699	4,994,467	5,066,912
Profit on Sale of Assets	20b	2,789,916	1,763,103	474,814
Total Operating Revenue		54,120,437	49,679,714	49,012,806
Operating Expenditure				
Employee Costs		(56,782,611)	(56,695,329)	(54,561,331)
Materials and Contracts		(40,200,101)	(41,892,804)	(38,763,925)
Utilities		(5,480,584)	(5,460,583)	(5,142,827)
Interest Expenses	22	(1,070,204)	(2,375,945)	(1,088,053)
Insurances		(1,745,071)	(1,485,000)	(1,322,018)
Other Expenses		(7,731,006)	(7,839,706)	(7,329,360)
Loss on Sale of Assets	20b	(973,437)	(201,388)	(190,288)
Depreciation on Non Current Assets	2a	(32,138,002)	(31,121,718)	(30,273,367)
Interest Expense - Provision for Site Rehabilitation	13	168,821	-	(155,782)
Amortisation on Non Current Assets	10b, 11	(8,912,463)	(1,139,280)	(2,889,917)
Total Operating Expenditure		(154,864,658)	(148,211,754)	(141,716,867)
Change in Net Assets Resulting from Operations before Rates		(100,744,221)	(98,532,040)	(92,704,062)
Adjustments for Cash Budget Requirements:				
Profit on Sale of Assets	20b	(2,789,916)	(1,763,103)	(474,814)
Loss on Sale of Assets	20b	973,437	201,388	190,288
Depreciation on Non Current Assets	2a	32,138,002	31,121,718	30,273,367
Interest Expense - Provision for Site Rehabilitation	13	(168,821)	-	155,782
Amortisation on Non Current Assets	10b, 11	8,912,463	1,139,280	2,889,917
Movement in Rehabilitation Assets Provisions		(5,171,553)	-	-
Movement in Non-Current Employee Benefit Provisions	13	(91,101)	-	73,381
Movement in SMRC Loan Liability Current		6,840	-	-
Movement in SMRC Loan Liability Non- Current		166,475	-	-
Movement in Deferred Pensioners	6	(60,031)	-	(90,468)
		33,915,795	30,699,283	33,008,453
Capital Expenditure and Revenue				
Purchase of Land	9b	(2,698,942)	-	(674,483)
Purchase of Buildings	9b	(10,192,523)	(9,362,800)	(13,104,344)
Purchase of Plant and Machinery	9b	(2,606,865)	(4,161,000)	(3,967,809)
Purchase of Furniture and Equipment	9b	(59,434)	(30,000)	(414,049)
Purchase of Computer Equipment	9b	(1,088,550)	(1,063,280)	(1,340,778)
Construction of Roads Infrastructure	10b	(17,436,278)	(14,162,636)	(10,208,029)
Construction of Drainage Infrastructure	10b	(851,499)	(1,218,300)	(794,477)
Construction of Footpath Infrastructure	10b	(1,228,918)	(1,187,072)	(876,253)
Construction of Parks Hard Infrastructure	10b	(5,688,488)	(5,847,000)	(6,752,793)
Construction of Parks Soft Infrastructure		-	(1,980,000)	-
Construction of Refuse Site Infrastructure	10b	(227,969)	(360,000)	(208,401)
Construction of Marina Infrastructure	10b	(693,359)	(1,550,000)	-
Proceeds on Sale of Assets	20b	8,603,151	3,887,000	1,651,090
Contributions/Grants for the development of Assets	25	12,695,763	10,133,695	11,455,693
Net Movement in Gifted Assets	4b	(1,873,635)	-	(741,058)
Recovery of Financial Investment	2a	830,780	-	-
Developer Contribution Plans - Cash		8,485,923	5,910,000	8,734,325
Repayment of Loans	22	(3,993,540)	(2,500,000)	(3,806,271)
Transfers from Reserves (Restricted Assets)	14	30,936,193	17,168,457	24,280,163
Transfers to Reserves (Restricted Assets)	14	(54,466,009)	(31,528,907)	(37,813,519)
		(41,554,199)	(37,851,843)	(34,580,994)
NET		(108,382,625)	(105,684,600)	(94,276,603)
Add: Opening Funds	3b	11,967,494	2,000,000	6,643,985
Less: Closing Funds	3b	7,230,184	15,400	11,967,494
Amount Required to be Raised from	23a	(103,651,315)	(103,700,000)	(99,600,112)
<i>The Rate Setting Statement should be read in conjunction with the accompanying notes.</i>				
<i>† Restated - Refer note 39</i>				

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NOTES TO 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 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.

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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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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. 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.

e. 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.

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As at 30 June 2017 all non-current assets were being carried at Fair Value in accordance with the requirements and are now remeasured at least every five years.

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.

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

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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 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

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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	5,000
Buildings	5,000
Furniture & Equipment / Computer Equipment	5,000
Plant & Machinery	5,000
Infrastructure Assets	5,000
Software	100,000

During the reporting year, the City increased the capitalisation threshold for land and buildings from nil to \$5,000 in accordance with the *Local Government (Financial Management) Regulations 1996*. The City also wrote off any assets held that had been previously capitalised below the \$5,000 threshold. The total amount was immaterial.

After considering AASB 1031 – Materiality, the above capital recognition thresholds have been determined for each asset class. Any purchase below these thresholds is recognised as expenditure in the income statement.

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

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.

f. Financial Assets

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 29.

g. 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 29.

Classification and subsequent measurement

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.

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

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

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

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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).

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

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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.

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

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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

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.

l. 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.

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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 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. 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

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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.

p. 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.

q. 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.

r. 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.

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s. Comparative Figures

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

t. 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.

u. 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.

v. 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.

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 is still in progress. The expected impact is set out as follows:

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	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	<p>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.</p> <p>The effect of this standard will depend on the nature of future transactions the City has with those third parties it has dealings with. The City has not yet determined the impact of adopting this standard</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>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 when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Whilst the City is yet to fully assess the impact based on the current number of operating leases held by the City, the impact is not expected to be significant.</p>

City of Cockburn
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- | | | | | |
|------|--|--------------------------|----------------------|--|
| (iv) | AASB
Income of Not-for
Profit Entities | 1058
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.

Management is continuing to review industry guidance and analyse business transactions to determine the financial requirements for 2019/20 reporting year.

w. 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.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies, however there were no changes to amounts recognised in the financial statements.

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Classification and subsequent measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables, term deposits and loans and advances (i.e. other debtors) classified as loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The investment in Local Government House Trust was designated as at fair value through profit and loss (previously classified as an available-for-sale financial asset).

Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. There was no change to the provision for impairment losses at 1 July 2018 as a result of this change.

x. 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.

y. 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

City of Cockburn
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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. The provision is recorded at the net present value of expected future costs discounted using the applicable government bond rates.

z. 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.

aa. 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.

City of Cockburn
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2a. Revenue and Expenses

	Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)#
The net result includes:	\$	\$	\$
(i) CHARGING AS AN EXPENSE			
<u>Auditors Remuneration</u>			
Audit of financial statements	45,000	30,000	30,000
Audit of project - acquittals	9,995	13,105	883
	<u>54,995</u>	<u>43,105</u>	<u>30,883</u>
<u>Depreciation</u>			
Buildings	6,317,893	6,156,336	5,987,676
Plant and Machinery	3,251,482	3,197,550	3,221,086
Furniture Equipment	367,953	379,764	361,032
Computer Equipment	1,214,936	1,010,616	982,607
Infrastructure - Roads	11,503,206	11,369,220	11,069,610
Infrastructure - Drainage	2,617,320	2,608,404	2,532,594
Infrastructure - Footpaths	1,386,424	1,410,360	1,369,401
Infrastructure - Parks Equipment	4,501,580	3,996,360	3,772,152
Infrastructure - Marina	977,208	993,108	977,208
	<u>32,138,002</u>	<u>31,121,718</u>	<u>30,273,367</u>
<u>Amortisation</u>			
Infrastructure - Landfill	1,088,562	1,139,280	1,085,041
Rehabilitation Asset	7,823,901	-	1,804,876
	<u>8,912,463</u>	<u>1,139,280</u>	<u>2,889,917</u>
<u>Interest Expenses</u>			
WATC Borrowings	782,613	708,945	726,777
RRRC Loan	287,591	1,667,000	361,276
	<u>1,070,204</u>	<u>2,375,945</u>	<u>1,088,053</u>
<u>Rental Charges</u>			
Operating Leases	709,647	628,917	933,245
<u>Recovery of Financial Investment</u>			
Legal action settlement against the Standard & Poors credit rating agency for a failed CDO	830,780	-	-
<u>Other Expenses</u>			
Members Travelling Expenses	4,985	10,000	8,106
Councillor Communication Expenses	41,190	35,000	-
Councillor Meeting Allowances	329,322	329,318	-
Child Care Expenses - Reimbursement Ele	3,586	2,000	-
RRRC Funding Payment	-	-	-
Aust Perform Rights Assoc Fees	6,209	6,000	6,701
Contribution - ESL	924	73,212	-
Contribution - SMRC	436,879	230,000	751,044
Study Fees Contributed	64,806	90,000	64,414
Donations	1,157,278	1,365,655	1,033,690
Landfill Levy	3,658,422	3,634,373	3,569,403
Mayoral Allowance	88,864	88,864	88,864
Reimbursement - Management Agreement	4,500	6,100	-
Licensing Expenses	85,470	199,891	103,011
Deputy Mayoral Allowance	22,251	22,216	22,251
Contribution to Operating Costs	4,000	14,000	14,000
Waste Levy Offset - Gateways Landfill Chi	83,356	90,000	83,356
Insurance Excess	-	-	20,325
ESL Levy - Council Properties	168,008	132,586	123,042
Fuel Issues	886,760	746,391	779,482
Educator Service Fee Recoup	350,286	367,000	367,275
Parent Service Fee recoup	266,123	395,000	292,980
Minor Other Expenses	67,787	2,100	1,415
	<u>7,731,006</u>	<u>7,839,706</u>	<u>7,329,360</u>
(ii) CREDITING AS REVENUE			
Grants/Contributions towards Assets	12,695,763	10,133,695	11,455,693
Share of profit / (loss) of associate - SMRC	(881,985)	-	(14,096,082)
<u>Interest Earnings</u>			
Interest received on Reserve Funds	2,470,756	1,999,467	2,258,709
Interest received on Other Funds	3,289,943	2,995,000	2,808,203
	<u>5,760,699</u>	<u>4,994,467</u>	<u>5,066,912</u>

Restated - Refer note 39

City of Cockburn
Financial Report

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2b. Revenues and Expenses

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.

City of Cockburn
Financial Report

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).

City of Cockburn

Financial Report

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

3. Cash & Cash Equivalents

	Actual 2018/19	Actual 2017/18 (Restated)≠
	\$	\$
Cash at Bank	7,558,041	762,182
Cash on Hand	28,633	29,212
Total Cash & Cash Equivalents	7,586,674	791,393
Term Deposits (refer note 4)	157,400,000	137,900,000
Total Cash, Cash Equivalents and Term Deposits	164,986,674	138,691,393
Restricted	147,523,959	118,034,611
Unrestricted	17,462,715	20,656,782
	164,986,674	138,691,393
Summary of Restricted Assets		
Sundry Deposits and Bonds	5,938,610	-
Council Funded Reserves	116,238,238	90,881,570
Externally Funded Reserves	8,649,014	12,141,558
Development Contribution Plans	17,698,991	16,033,299
Less: Non-Current Investments (refer note 4)	(1,000,894)	(1,021,816)
Total Restricted Assets	147,523,959	118,034,611

≠ Restated - Refer note 39

City of Cockburn
Financial Report

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

4a. Financial Assets

	Actual 2018/19	Actual 2017/18 (Restated)†
CURRENT	\$	\$
Term deposits maturing within 12 mths of reporting period	157,400,000	137,900,000
NON CURRENT		
Investments maturing later than 12 mths from reporting period		
Mortgage-Backed securities	1,000,894	1,021,816
Available for Sale Financial Asset House Trust*	-	123,734
Financial Assets at Fair Value Through Profit or Loss - House Trust*	140,137	-
	<u>1,141,031</u>	<u>1,145,550</u>

Some of the term deposits 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.

† Restated - Refer note 39

4b. Assets Gifted to Other Parties

	Actual 2018/19	Actual 2017/18
	\$	\$
Ceded land costs	1,873,635	-
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
	<u>1,873,635</u>	<u>741,058</u>

5. Interests in Investment in Associate

	Actual 2018/19	Actual 2017/18 (Restated)†
	\$	\$
NON CURRENT		
SMRC	675,004	1,556,989
	<u>675,004</u>	<u>1,556,989</u>

Refer note 17 for further detail on Investment in Associate - SMRC

† Restated - Refer note 39

City of Cockburn

Financial Report

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

6. Trade & Other Receivables

	Actual 2018/19	Actual 2017/18
CURRENT	\$	\$
Rates Outstanding	2,374,622	2,082,764
Rubbish Charges Outstanding	68,436	88,904
Sundry Debtors	8,621,363	5,542,690
GST Receivable	69,342	525,731
	11,133,763	8,240,088
NON CURRENT		
Rates Outstanding - Pensioners	1,018,156	958,125
	1,018,156	958,125

7. Other Assets

	Actual 2018/19	Actual 2017/18
CURRENT	\$	\$
Prepayments	187,192	282,233
	187,192	282,233

8. Inventories

	Actual 2018/19	Actual 2017/18
	\$	\$
Fuel Depot	33,335	35,600
	33,335	35,600

City of Coburn
Financial Report

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

9a. Property, Plant and Equipment

	Actual 2017/18	Actual 2017/18
LAND		
At Independent Valuation 2017	84,111,627	82,632,600
Additions after Valuation	3,848,842	1,478,827
Disposals after Valuation	(5,338,559)	-
	82,621,910	84,111,427
BUILDINGS		
At Independent Valuation 2017	292,343,072	288,548,238
Additions after Valuation	14,555,005	3,895,124
LESS Disposals after Valuation	(5,265,000)	(180,248)
LESS Accumulated Depreciation	(77,823,533)	(77,823,533)
	223,810,544	213,440,321
FURNITURE AND EQUIPMENT		
At Management Valuation 2016	3,622,462	1,446,276
Additions after Valuation	8,474,444	2,377,166
Disposals after Valuation	(982,118)	-
LESS Accumulated Depreciation	(1,860,170)	(1,675,650)
	1,854,618	2,147,892
COMPUTER EQUIPMENT		
At Management Valuation 2016	5,467,841	1,320,150
Additions after Valuation	1,500,125	4,537,689
Disposals after Valuation	(2,528,024)	(1,713,088)
LESS Accumulated Depreciation	(4,639,832)	(4,153,841)
	23,368,109	11,891,901
PLANT AND MACHINERY		
At Management Valuation 2016	2,606,865	11,892,949
Additions after Valuation	(2,778,821)	-
LESS Disposals after Valuation	(10,033,251)	(8,815,860)
LESS Accumulated Depreciation	(13,323,149)	(14,873,074)
	11,219,362	15,004,079
WORK IN PROGRESS		
At cost	11,219,362	15,004,079
	11,219,362	15,004,079
TOTAL PROPERTY, PLANT AND EQUIPMENT	428,900,865	425,539,019
LESS Impairment	-	-
LESS Accumulated Depreciation	(84,137,721)	(89,528,571)
NET BOOK VALUE	335,763,145	336,010,448

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 depreciation is calculated on the basis of the fair value of the asset at the time of acquisition. The valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. The process is consistent with the provisions of the Property, Plant and Equipment (Provisional Measure) Regulation 17A which requires property, plant and equipment to be shown at fair value.

9b. Movements in Carrying Amounts - Property, Plant & 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:

	2018/19	2017/18
Assets Classification		
Freight and Land	84,111,627	82,632,600
Buildings	292,343,072	288,548,238
Computer Equipment	2,147,892	2,147,892
Plant & Machinery	11,219,362	15,004,079
Work in Progress	11,219,362	15,004,079
	335,763,145	336,010,448
Assets Classification		
Freight and Land	84,111,627	82,632,600
Buildings	292,343,072	288,548,238
Computer Equipment	2,147,892	2,147,892
Plant & Machinery	11,219,362	15,004,079
Work in Progress	11,219,362	15,004,079
	335,763,145	336,010,448

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

11. Rehabilitation Assets

	Actual 2018/19	Actual 2017/18 (Restated)#
	\$	\$
NON CURRENT		
Post closure rehabilitation assets	36,657,822	28,241,481
Less: Accumulated amortisation	(11,287,503)	(3,463,602)
	<u>25,370,319</u>	<u>24,777,879</u>

Movements in carrying amounts of post closure rehabilitation assets during the financial year are shown as follows.

	Actual 2018/19	Actual 2017/18 (Restated)#
	\$	\$
Opening balance at 1 July	24,777,879	26,019,998
Increase / (decrease) in provision resulting from the remeasurement of the estimated future cash flows	8,416,341	562,757
Amortisation	(7,823,901)	(1,804,876)
Closing Balance at 30 June	<u>25,370,319</u>	<u>24,777,879</u>

Restated - Refer note 39

12a. Trade & Other Payables

	Actual 2018/19	Actual 2017/18
	\$	\$
CURRENT		
Creditors	8,332,092	5,525,506
Accrued Expenses	365,150	2,748,371
Income Received in Advance	597,052	1,020,338
GST Payable	(13,095)	1,222,049
Sundry Deposits and Bonds	3,497,269	-
	<u>12,778,469</u>	<u>10,516,264</u>
NON CURRENT		
Sundry Deposits and Bonds	<u>2,441,341</u>	-

12b. Borrowings

	Actual 2018/19	Actual 2017/18 (Restated)#
	\$	\$
CURRENT		
Fixed Loan (Western Australian Treasury Corporation) - Secured by charge over General Funds (Personal Property Security Act)	2,500,000	2,500,000
Fixed Loan (SMRC)	2,270,060	1,500,000
	<u>4,770,060</u>	<u>4,000,000</u>
NON CURRENT		
Fixed Loan (Western Australian Treasury Corporation) - Secured by charge over General Funds (Personal Property Security Act)	15,000,000	17,500,000
Fixed Loan (SMRC)	4,163,523	6,253,809
	<u>19,163,523</u>	<u>23,753,809</u>

Additional detail on borrowings is provided in Note 22.

Restated - Refer note 39

City of Cockburn
Financial Report

NOTES TO THE ACCOUNTS.

13. Provisions

	Actual 2018/19	Actual 2017/18 (Restated)†
	\$	\$
CURRENT EMPLOYEE BENEFITS RELATED PROVISIONS		
Employees Annual Leave	2,941,209	2,967,798
Employees Long Service Leave	2,647,458	2,269,834
Employees On-Costs	1,539,401	1,493,314
	<u>7,128,068</u>	<u>6,730,946</u>
NON-CURRENT EMPLOYEE BENEFITS RELATED PROVISIONS		
Employees Long Service Leave	1,680,596	1,759,854
Employees On-Costs	251,124	262,967
	<u>1,931,719</u>	<u>2,022,821</u>
CURRENT OTHER PROVISIONS		
Provision for Site Rehabilitation	5,171,553	-
	<u>5,171,553</u>	<u>-</u>
NON-CURRENT OTHER PROVISIONS		
Provision for Site Rehabilitation	31,644,203	28,568,236
	<u>31,644,203</u>	<u>28,568,236</u>
TOTAL PROVISIONS	<u>45,875,543</u>	<u>37,322,003</u>
ANALYSIS OF TOTAL PROVISIONS		
Current	12,299,621	6,730,946
Non-Current	33,575,922	30,591,057
	<u>45,875,543</u>	<u>37,322,003</u>

† Restated - Refer note 39

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Site Rehabilitation † \$	Total † \$
Opening balance as at 30 June 2018	2,967,798	4,029,688	28,568,236	35,565,722
Provisions made	3,182,877	841,979	8,416,341	12,441,196
Amounts used	(3,209,465)	(543,613)	-	(3,753,078)
Unwinding of discount	-	-	(168,821)	(168,821)
Balance at 30 June 2019	<u>2,941,209</u>	<u>4,328,054</u>	<u>36,815,756</u>	<u>44,085,019</u>
	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	27,849,697	36,395,550
Provisions made	1,823,874	318,420	562,757	2,705,051
Amounts used	(3,000,981)	(689,680)	-	(3,690,661)
Unwinding of discount	-	-	155,782	155,782
Balance at 30 June 2018	<u>2,967,798</u>	<u>4,029,688</u>	<u>28,568,236</u>	<u>35,565,722</u>

† Restated - Refer note 39

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
1. Staff Payments & Entitlements			
Opening Balance	1,709,732	1,716,587	1,947,631
Transfer from Accumulated Surplus - Interest	34,373	47,023	35,725
Transfer from Accumulated Surplus	125,000	125,000	125,000
Transfer to Accumulated Surplus	(189,263)	(190,000)	(398,625)
	1,679,842	1,698,610	1,709,732
2. Plant & Vehicle Replacement			
Opening Balance	9,354,672	8,872,723	7,371,172
Transfer from Accumulated Surplus - Interest	196,248	115,183	184,817
Transfer from Accumulated Surplus	3,313,043	3,350,000	3,661,516
Transfer to Accumulated Surplus	(1,847,759)	(3,458,000)	(1,862,834)
	11,016,204	8,879,906	9,354,672
3. Information Technology			
Opening Balance	206,565	175,763	290,055
Transfer from Accumulated Surplus - Interest	3,529	8,388	5,035
Transfer from Accumulated Surplus	200,000	200,000	100,000
Transfer to Accumulated Surplus	(107,375)	(108,744)	(188,525)
	302,718	275,407	206,565
4. Major Building Refurbishment			
Opening Balance	13,093,407	12,981,060	11,573,486
Transfer from Accumulated Surplus - Interest	284,811	147,574	259,922
Transfer from Accumulated Surplus	1,500,000	1,500,000	1,500,000
Transfer to Accumulated Surplus	-	(175,000)	(240,000)
	14,878,218	14,453,634	13,093,407
5. Waste & Recycling			
Opening Balance	14,136,202	13,655,176	13,165,896
Transfer from Accumulated Surplus - Interest	305,589	363,713	268,858
Transfer from Accumulated Surplus	1,329,580	1,100,000	1,646,594
Transfer to Accumulated Surplus	(289,984)	(420,000)	(945,146)
	15,481,387	14,698,889	14,136,202
6. Land Development and Investment Fund			
Opening Balance	3,756,615	6,171,923	4,177,766
Transfer from Accumulated Surplus - Interest	132,184	256,447	83,436
Transfer from Accumulated Surplus	6,075,894	3,109,801	359,212
Transfer to Accumulated Surplus	(325,885)	(2,285,000)	(863,798)
	9,638,807	7,253,171	3,756,615
7. Roads & Drainage Infrastructure			
Opening Balance	15,446,223	11,400,017	13,987,382
Transfer from Accumulated Surplus - Interest	288,766	81,300	309,299
Transfer from Accumulated Surplus	2,000,000	2,000,000	2,041,646
Transfer to Accumulated Surplus	(4,790,263)	(1,793,333)	(892,103)
	12,944,727	11,687,984	15,446,223

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
8. Naval Base Shacks			
Opening Balance	1,078,013	1,080,657	1,077,675
Transfer from Accumulated Surplus - Interest	23,450	24,153	21,510
Transfer from Accumulated Surplus	30,635	30,635	75,363
Transfer to Accumulated Surplus	-	-	(96,534)
	1,132,099	1,135,445	1,078,013
9. Community Infrastructure			
Opening Balance	14,879,832	12,100,811	13,210,265
Transfer from Accumulated Surplus - Interest	310,398	127,034	314,659
Transfer from Accumulated Surplus	7,419,972	7,000,000	2,356,082
Transfer to Accumulated Surplus	(3,422,617)	(2,880,000)	(1,001,173)
	19,187,585	16,347,845	14,879,832
10. Insurance			
Opening Balance	1,262,819	1,262,579	328,198
Transfer from Accumulated Surplus - Interest	35,853	8,801	18,042
Transfer from Accumulated Surplus	550,000	550,000	925,580
Transfer to Accumulated Surplus	(42,162)	(75,000)	(9,000)
	1,806,509	1,746,380	1,262,819
11. Greenhouse Action Fund			
Opening Balance	420,432	549,857	349,919
Transfer from Accumulated Surplus - Interest	9,010	10,790	8,839
Transfer from Accumulated Surplus	200,000	200,000	200,000
Transfer to Accumulated Surplus	(56,550)	(60,000)	(138,325)
	572,893	700,647	420,432
12. Aged and Disabled Asset Replacement			
Opening Balance	191,003	204,821	223,193
Transfer from Accumulated Surplus - Interest	4,837	8,628	4,684
Transfer from Accumulated Surplus	176,280	-	-
Transfer to Accumulated Surplus	-	-	(36,874)
	372,120	213,449	191,003
13. Welfare Projects Employee Entitlements			
Opening Balance	708,130	470,433	459,203
Transfer from Accumulated Surplus - Interest	15,568	9,223	10,052
Transfer from Accumulated Surplus	383,976	-	252,888
Transfer to Accumulated Surplus	(63,091)	-	(14,012)
	1,044,584	479,656	708,130
14. HWRP Post Closure Management & Contaminated Sites			
Opening Balance	2,324,206	2,325,143	2,359,654
Transfer from Accumulated Surplus - Interest	50,546	50,489	49,551
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(997)	(135,000)	(85,000)
	2,373,754	2,240,632	2,324,206

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
15. Municipal Elections			
Opening Balance	79,037	78,175	155,198
Transfer from Accumulated Surplus - Interest	1,719	2,977	3,839
Transfer from Accumulated Surplus	-	-	120,000
Transfer to Accumulated Surplus	-	-	(200,000)
	80,756	81,152	79,037
16. Welfare Redundancies			
Opening Balance	42,634	42,545	41,748
Transfer from Accumulated Surplus - Interest	927	797	886
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	43,561	43,342	42,634
17. Port Coogee Special Maintenance - SAR			
Opening Balance	1,418,130	1,549,258	1,246,841
Transfer from Accumulated Surplus - Interest	33,852	28,417	31,633
Transfer from Accumulated Surplus	399,283	380,000	351,247
Transfer to Accumulated Surplus	(206,833)	(206,833)	(211,591)
	1,644,432	1,750,842	1,418,130
18. Port Coogee Waterways - SAR			
Opening Balance	92,022	97,587	112,477
Transfer from Accumulated Surplus - Interest	3,064	8,852	3,287
Transfer from Accumulated Surplus	49,151	70,000	56,000
Transfer to Accumulated Surplus	(50,000)	(50,000)	(79,742)
	94,237	126,439	92,022
19. Community Surveillance			
Opening Balance	903,958	647,470	1,097,742
Transfer from Accumulated Surplus - Interest	17,417	23,842	23,183
Transfer from Accumulated Surplus	200,000	200,000	200,000
Transfer to Accumulated Surplus	(343,004)	(237,700)	(416,967)
	778,372	633,612	903,958
20. Waste Collection			
Opening Balance	2,092,296	2,533,746	2,437,627
Transfer from Accumulated Surplus - Interest	44,709	66,093	46,756
Transfer from Accumulated Surplus	1,159,736	1,400,000	79,349
Transfer to Accumulated Surplus	(8,201)	-	(471,435)
	3,288,540	3,999,839	2,092,296
21. Family Day Care Accumulation Fund			
Opening Balance	30,675	8,482	8,482
Transfer from Accumulated Surplus - Interest	667	-	180
Transfer from Accumulated Surplus	-	-	44,025
Transfer to Accumulated Surplus	(20,000)	-	(22,012)
	11,342	8,482	30,675

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
22. Underground Power - Service Charge			
Opening Balance	-	-	-
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	-	-	-
23. Development Contribution Plan (DCP) - Community Infrastructure			
Opening Balance	5,714,253	2,721,232	5,964,447
Transfer from Accumulated Surplus - Interest	165,413	231,370	184,299
Transfer from Accumulated Surplus	4,913,707	4,500,000	5,749,609
Transfer to Accumulated Surplus	(5,084,742)	(4,370,495)	(6,184,101)
	5,708,631	3,082,107	5,714,253
24. Naval Base Shack Removal			
Opening Balance	528,000	537,660	526,838
Transfer from Accumulated Surplus - Interest	11,486	10,822	11,162
Transfer from Accumulated Surplus	56,000	56,000	-
Transfer to Accumulated Surplus	-	-	(10,000)
	595,485	604,482	528,000
25. Environmental Offset			
Opening Balance	304,512	306,218	298,185
Transfer from Accumulated Surplus - Interest	6,624	8,033	6,327
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	-	-	-
	311,136	314,251	304,512
26. Bibra Lake Management Plan			
Opening Balance	601,791	575,612	589,288
Transfer from Accumulated Surplus - Interest	12,990	11,324	12,503
Transfer from Accumulated Surplus	-	-	-
Transfer to Accumulated Surplus	(35,190)	(100,000)	-
	579,591	486,936	601,791
27. Restricted Grants & Contributions			
Opening Balance	4,532,938	497,056	3,585,466
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	6,465,335	-	4,025,329
Transfer to Accumulated Surplus	(4,372,789)	-	(3,077,858)
	6,625,483	497,056	4,532,938
28. CIHCF Building Maintenance			
Opening Balance	6,150,813	6,056,709	4,621,068
Transfer from Accumulated Surplus - Interest	145,790	5,641	109,672
Transfer from Accumulated Surplus	1,450,088	1,456,941	1,439,494
Transfer to Accumulated Surplus	-	-	(19,422)
	7,746,691	7,519,291	6,150,813

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
29. Cockburn ARC Building Maintenance			
Opening Balance	2,010,608	2,053,573	500,000
Transfer from Accumulated Surplus - Interest	43,738	53,573	10,608
Transfer from Accumulated Surplus	-	-	1,500,000
Transfer to Accumulated Surplus	-	-	-
	2,054,346	2,107,146	2,010,608
30. Carry Forward Projects			
Opening Balance	3,618,392	1,823,924	3,974,994
Transfer from Accumulated Surplus - Interest	-	-	-
Transfer from Accumulated Surplus	9,557,112	-	5,419,903
Transfer to Accumulated Surplus	(7,242,854)	-	(5,776,505)
	5,932,650	1,823,924	3,618,392
31. Port Coogee Marina Assets Replacement			
Opening Balance	285,423	-	-
Transfer from Accumulated Surplus - Interest	6,209	-	423
Transfer from Accumulated Surplus	1,000,000	1,000,000	300,000
Transfer to Accumulated Surplus	-	-	(15,000)
	1,291,632	1,000,000	285,423
32. Port Coogee Waterways - WEMP			
Opening Balance	1,763,151	1,986,810	2,296,993
Transfer from Accumulated Surplus - Interest	35,147	43,009	47,424
Transfer from Accumulated Surplus	-	-	45,000
Transfer to Accumulated Surplus	(437,588)	(522,861)	(626,266)
	1,360,710	1,506,958	1,763,151
33. Cockburn Coast SAR			
Opening Balance	897	-	-
Transfer from Accumulated Surplus - Interest	180	-	1
Transfer from Accumulated Surplus	19,217	-	896
Transfer to Accumulated Surplus	(3,453)	-	-
	16,840	-	897
34. Development Contribution Plans (DCP) - Various			
Opening Balance	10,319,045	9,828,163	7,544,182
Transfer from Accumulated Surplus - Interest	245,662	137,034	192,100
Transfer from Accumulated Surplus	3,421,245	1,410,000	2,980,077
Transfer to Accumulated Surplus	(1,995,593)	(100,491)	(397,314)
	11,990,360	11,274,706	10,319,045

City of Cockburn

NOTES TO THE ACCOUNTS.

14. Reserves

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
SUMMARY FINANCIAL RESERVES			
Opening Balance	119,056,427	104,311,770	105,523,070
Transfer from Accumulated Surplus - Interest	2,470,756	1,890,530	2,258,709
Transfer from Accumulated Surplus	51,995,253	29,638,377	35,554,811
Transfer to Accumulated Surplus	(30,936,193)	(17,168,457)	(24,280,163)
TOTAL FINANCIAL RESERVES	142,586,243	118,672,220	119,056,427
RESERVES OTHER			
Asset Revaluation Reserve			
Opening Balance	523,349,683	503,100,000	503,528,001
Revaluation net increments made during the year	21,290,331	-	19,821,682
TOTAL RESERVES OTHER	544,640,014	503,100,000	523,349,683
TOTAL RESERVES	687,226,257	621,772,220	642,406,110

City of Cockburn
Financial Report

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

1. Staff Payments & Entitlements

This Reserve provides for payment of various staff entitlements including separation, bonus, awards and other payments made to Staff either through contractual or statutory entitlement, other than leave liabilities already provided for within the City's net asset position.

Anticipated date of use: ongoing.

2. Plant & Vehicle Replacement

This Reserve provides for the orderly replacement of plant and vehicles. Annual transfers into this Reserve are based on the estimated depreciation charge for plant each year. Funds are drawn as required to meet annual plant replacement costs.

Anticipated date of use: ongoing.

3. Information Technology

This Reserve is used to provide for the capital cost of upgrading/replacement of Council's computer hardware and software.

Anticipated date of use: ongoing.

4. Major Building Refurbishment

This Reserve provides funding for future major refurbishment of Council buildings as they become necessary. Annual transfers are usually made to this Reserve from any end of year surplus.

Anticipated date of use: ongoing.

5. Waste & Recycling

This Reserve provides funding for capital costs associated with the development and management of a waste disposal site. Transfers to this Reserve are made based on planned future capital funding requirements for waste management.

Anticipated date of use: majority by the time the landfill closes in 2040.

6. Land Development and Investment Fund

This Reserve is to accommodate and facilitate the purchase, development and disposal of land under the Council's land development strategies with the ability to loan funds on an interest payable basis to other reserve accounts of the City.

Anticipated date of use: ongoing.

7. Roads & Drainage Infrastructure

The purpose of this Reserve is to provide for the renewal and refurbishment of roads and drainage infrastructure and for the provision of matching funds for Federal & State Government road grants.

Anticipated date of use: ongoing.

City of Cockburn
Financial Report

8. Naval Base Shacks

This Reserve provides funds for the development & refurbishment of the Naval Base shacks site. It will also fund rehabilitation costs when the Park reverts back to the State Government. Annual transfers to this Reserve are fully funded by part of the lease income derived from the shacks.

Anticipated date of use: ongoing.

9. Community Infrastructure

This Reserve funds the provision of community and recreation facilities within the City as the need arises. The requirement for these facilities over the next five to ten years is significant due to the rapid rate of development within the city and the associated population growth.

Anticipated date of use: ongoing.

10. Insurance

This Reserve is used to minimise and smooth annual budgetary impacts from the City's performance based insurance schemes, including deductibility levels.

Anticipated date of use: ongoing.

11. Greenhouse Action Fund

This Reserve will be used to purchase carbon offsets and fund projects to support energy efficiency, waste management and renewable energy installations.

Anticipated date of use: ongoing.

12. Aged and Disabled Asset Replacement

This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.

Anticipated date of use: ongoing.

13. Welfare Projects Employee Entitlements

This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.

Anticipated date of use: ongoing.

14. HWRP Post Closure Management & Contaminated Sites

This Reserve is required to cover any costs associated with clean-up & remediation works at contaminated sites within the district as enforced by the Contaminated Sites Act.

Anticipated date of use: ongoing.

15. Municipal Elections

This Reserve provides funding to cover election expenses during election years to smooth out annual budgetary impacts.

Anticipated date of use: ongoing.

City of Cockburn
Financial Report

16. Welfare Redundancies

This Reserve was created for the purpose of covering potential future redundancy costs for grant funded services, as funding agreements do not usually allow for these costs.

Anticipated date of use: ongoing.

17. Port Coogee Special Maintenance - SAR

This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development. These funds are required for the specialised maintenance requirements of the development.

Anticipated date of use: ongoing.

18. Port Coogee Waterways - SAR

This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development on land directly adjacent to the waterways. These funds are required for the maintenance of the waterways surrounding Port Coogee marina and associated infrastructure.

Anticipated date of use: ongoing.

19. Community Surveillance

This Reserve funds activities in relation to Community Surveillance.

Anticipated date of use: ongoing.

20. Waste Collection

This reserve provides funding for future capital requirements related to the Waste Collection service.

Anticipated date of use: ongoing.

21. Family Day Care Accumulation Fund

This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.

Anticipated date of use: ongoing.

22. Underground Power – Service Charge

This Reserve is used for managing funds raised through prescribed service charges for the undergrounding of power within the district.

Anticipated date of use: ongoing.

23. Naval Base Shack Removal

Established for the purposes of the future removal of leasehold dwellings at Reserve 24308, Naval Base. All funds raised are to be accounted for on a property lease by lease basis, and not on who paid the actual payment at the time of the payment.

Funds raised will be reimbursed to leaseholders when dwelling is removed and the site rehabilitated to its prior state.

City of Cockburn
Financial Report

Anticipated date of use: no certain date for rehabilitation.

24. Environmental Offset

This Reserve is used to manage funds required to undertake environmental rehabilitation of land associated with road construction as approved by the relevant government agency.

Anticipated date of use: ongoing.

25. Bibra Lake Management Plan

This Reserve is used to manage funding to implement the Bibra Lake Management Plan as adopted by Council.

Anticipated date of use: ongoing.

26. Restricted Grants & Contributions

This Reserve is used to quarantine monies received for restricted purposes across financial years.

Anticipated date of use: ongoing.

27. CIHCF Building Maintenance

This Reserve is used to manage funding for major building maintenance of the Cockburn Integrated Health and Community Facility (CIHCF).

Anticipated date of use: ongoing.

28. Cockburn ARC Building Maintenance

This Reserve is used to manage funding for the major building maintenance of the Cockburn ARC recreation facility.

Anticipated date of use: ongoing.

29. Carry Forward Projects

This reserve is used to manage municipal funding for incomplete projects carried forward to the following financial year.

Anticipated date of use: ongoing.

30. Port Coogee Marina Assets Replacement

This Reserve provides for the replacement of marina infrastructure assets. Funding is provided from pen fees to reflect estimated depreciation costs.

Anticipated date of use: ongoing.

31. Port Coogee Waterways - WEMP

This Reserve is used to manage the funds paid by the developer of the Port Coogee marina development in accordance with the Waterways Environmental Management Plan (WEMP). The funds will be used to maintain and manage the marina waterways.

Anticipated date of use: ongoing.

City of Cockburn
Financial Report

32. Cockburn Coast SAR

This Reserve is used to manage funds raised through the specified area rate (SAR) providing funding to ensure that the parks and public areas (including custom street lighting) within the Cockburn Coast Development are maintained in accordance with the higher standards agreed to between the City and the Developer.

Anticipated date of use: ongoing.

33. Development Contribution Plan (DCP) – Community Infrastructure

This reserve is used to account for funds generated from the Community Infrastructure Development Contributions Scheme (DCP13) established under the City's Town Planning Scheme No. 3.

Anticipated date of use: ongoing.

34. Development Contribution Plans (DCP) – Various

This Reserve is used for the management of contributions and costs with respect to Development Contribution Areas as established by and in accordance with Town Planning Scheme 3.

Anticipated date of use: ongoing.

35. Public Open Space (POS) Cash in Lieu

This Reserve is no longer used from 2017/18. All funds have been transferred to the City's trust account.

City of Cockburn

Financial Report

NOTES TO THE ACCOUNTS.

15. REVALUATION SURPLUS

	Actual 2018/19	Actual 2017/18
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
Land		
Opening Balance	107,394,794	107,394,794
Revaluation Increment/(Decrement)	-	-
	107,394,794	107,394,794
Buildings		
Opening Balance	22,861,653	22,861,653
Revaluation Increment/(Decrement)	-	-
	22,861,653	22,861,653
Roads Infrastructure		
Opening Balance	186,557,905	171,628,693
Revaluation Increment/(Decrement)	2,042,497	14,929,212
	188,600,401	186,557,905
Drainage Infrastructure		
Opening Balance	153,149,879	148,810,441
Revaluation Increment/(Decrement)	2,098,139	4,339,438
	155,248,018	153,149,879
Landfill Infrastructure		
Opening Balance	2,598,696	2,598,696
Revaluation Increment/(Decrement)	-	-
	2,598,696	2,598,696
Footpath Infrastructure		
Opening Balance	28,334,277	27,781,245
Revaluation Increment/(Decrement)	17,149,696	553,032
	45,483,973	28,334,277
Parks Infrastructure		
Opening Balance	22,452,479	22,452,479
Revaluation Increment/(Decrement)	-	-
	22,452,479	22,452,479
TOTAL REVALUATION SURPLUS	544,640,014	523,349,683
SUMMARY OF REVALUATION SURPLUS		
Opening Balance	523,349,683	503,528,001
Revaluation net increment/(decrement) made during the year	21,290,331	19,821,682
TOTAL REVALUATION SURPLUS	544,640,014	523,349,683

City of Cockburn
Financial Report

NOTES TO THE ACCOUNTS

16. Notes to Statement of Cash Flows

	Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)†
	\$	\$	\$
16a			
Reconciliation of Net Cash Provided by/(Used in) Operating Activities to Change in Net Assets Resulting from Operations.			
Net Result	31,619,515	21,409,668	24,417,217
Add/(Less) non-cash items:			
Depreciation	32,138,002	31,121,718	30,273,367
Amortisation	8,912,463	1,139,280	2,889,917
Provision for Site Rehabilitation	(168,821)	-	155,782
(Profit)/Loss on Sale of Assets	(1,816,479)	(1,759,728)	(284,526)
Decrease/(Increase) in Investment in Associate/Other	865,582	-	14,096,156
Recognition of Gifted Subdivision Assets	(9,439,171)	-	(12,168,364)
Add/(Less) non-operating items:			
Grants & Contributions for the Development of Assets	(21,181,686)	(16,043,695)	(20,190,018)
Recovery of Financial Investment	(830,780)	-	-
Assets Gifted to Other Parties	1,873,635	-	741,058
Change in Assets and Liabilities:			
(Increase)/Decrease in Rates Debtors & Deferred Rates	(351,889)	-	(60,178)
(Increase)/Decrease in Sundry Debtors	(2,622,285)	(0)	188,281
(Increase)/Decrease in SMRC Loan Liability Current	6,840		
(Increase)/Decrease in SMRC Loan Liability Non-Current	166,475		
(Increase)/Decrease in Stock on Hand	2,265	-	(13,818)
Increase/(Decrease) in Creditors & Accruals	(811,779)	398,311	712,446
(Increase)/Decrease in Rubbish Debtors	20,468	-	4,090
Increase/(Decrease) in Employee Provision	306,021	-	207,914
Increase/(Decrease) on Income Received in Advance	(423,286)	-	422,812
(Increase)/Decrease in Prepayments	95,041	-	629,332
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	38,360,131	36,265,554	42,021,469

† Restated - Refer note 39

	Actual 2018/19	Budget 2018/19	Actual 2017/18 (Restated)†
	\$	\$	\$
16b			
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: -			
Cash at Bank	7,558,041	12,183,631	762,182
Cash on Hand	28,633	-	29,212
Cash & Cash Equivalents at end of Reporting Period	7,586,674	12,183,631	791,393

† Restated - Refer note 39

16c			
Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Credit Card limit	250,000		250,000
Credit Card Balance at Balance Date	(107,983)		(77,769)
Total Amount of Credit Unused	142,017		172,231

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

17. Investment in Associate - SMRC

The City was 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 establishment agreement, effective 30 June 2019 and gave 12 months' notice. Equity interests have been adjusted in 2018-19 in accordance with the establishment and project participant agreements and accounting standard requirements.

City of Cockburn's withdrawal from the SMRC and all associated projects

The City withdrew from the Regional Resource Recovery Centre (RRRC) Project Participants' Agreement, which became effective after 30 June 2017. At reporting date, the City has no equity interest in the assets of the RRRC. However, the City has recognised a liability for its share of the project's borrowings for which it has guaranteed (refer note 12b). The full repayment of all associated borrowings (expected June 2023) will trigger an equity share in the RRRC's remaining assets at that time (being those acquired through the borrowings). It is the City's position that any value remaining in those assets will be immaterial at that time and accordingly no asset has been recognised.

The City withdrew from the Office Accommodation Project Participant's Agreement, which becomes effective after 30 June 2019 (i.e. 1 July 2019). The City's withdrawal triggered a requirement under the project participant's agreement to prepare an amended business plan for the Project, having regard to the effect of the City's withdrawal. The amended business plan with a notional winding up of the project resulted in a net cost to the City of \$21,252 from the withdrawal. The City is reporting equity of \$675,004 in the office accommodation project as at 30 June 2019, being its share of the net assets immediately before the withdrawal takes effect. The City has also recognised a liability for its share of the related borrowings for which it had guaranteed (refer note 12b). Both this equity share and the related borrowings liability will be extinguished, once the withdrawal takes effect on 1 July 2019. This is in accordance with the project participant's agreement.

The City's withdrawal as a member of the SMRC under the establishment agreement (effective after 30 June 2019) requires the SMRC to (as soon as practicable) calculate the City's share of any surplus or deficit were the SMRC to be wound up. This is yet to occur and the City expects any surplus or deficit position will be immaterial. Accordingly, no equity share has been accounted for by the City in its remaining share of the SMRC as at 30 June 2019.

	2018/19 Actual \$	2017/18 Actual (Restated) [#] \$
Statement of Comprehensive Income - SMRC		
Revenues from Ordinary Activities	22,613,268	23,783,690
LESS: Expenses from Ordinary Activities	(28,104,725)	(29,135,978)
LESS: RRRC Revaluation Decrement	(3,065,800)	-
LESS: Borrowing Cost Expense	(653,913)	(752,577)
LESS: Make Good Provision	(85,769)	(87,526)
Net Profit or (Loss)	(9,296,939)	(6,192,391)
Statement of Financial Position - SMRC		
Current Assets	17,220,585	14,364,529
Non-Current Assets	27,574,771	42,681,696
Total Assets	44,795,356	57,046,225
Current Liabilities	8,364,122	9,326,121
Non-Current Liabilities	13,534,680	16,216,134
Total Liabilities	21,898,802	25,542,255
Net Assets	22,896,554	31,503,970
The City's share in the net assets of the SMRC Equity Ratio		
Represented by Share of SMRC's Financial Position:	675,004	1,556,989
Current Assets	96,077	927,780
Non-Current Assets	578,926	823,392
Total Assets	675,004	1,751,172
Current Liabilities	-	185,191
Non-Current Liabilities	-	8,992
Total Liabilities	-	194,183
Net Assets	675,004	1,556,989
Net Increase/(Decrease) in Equity - SMRC	(881,985)	(14,096,082)

[#] Restated - Refer note 39

City of Cockburn
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

18. Contingent Liabilities

(A) 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 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 matter is currently listed with SAT for a papers hearing on the 19th December 2019.

(B) State Wide Cladding Audit – Cockburn Integrated Health and Community Building

There is an ongoing State Wide Cladding Audit being conducted by the Department of Mines, Industry Regulation and Safety (DMIRS). A total of 7 buildings located in the City fell within the scope of the audit, including one owned by the City. The audit identified one Council owned building at 11 Wentworth Parade, Success required a more detailed risk assessment. The Risk assessment completed by DMIRS confirmed this building is considered a 'Moderate' risk, within a scale of Low, Moderate, High and Extreme.

The Fire Engineering and Building Surveying industry is currently experiencing insurance fade and policy exclusions in regard to professional indemnity insurance (PI), where certification of building cladding is involved. In some instances, a Fire Engineer may be able to confirm that remedial works to a building may reduce the fire risk to an acceptable level in their professional. The City has engaged the services of a Fire Engineer and a consultant Building Surveyor to review the matter and to ultimately certify compliance with the Building Code of Australia (BCA) after any required remedial work.

As at the date of this report, no assessment has been made to reliably estimate the amount of contingent liability that could possibly arise from the building cladding issue, however, management has noted this issue and discloses the possibility of this issue resulting in a future liability.

City of Cockburn

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19. Capital & Leasing CommitmentsCapital Commitments

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

	2018/19	2017/18
	\$	\$
Contracted for:		
Capital expenditure projects	6,632,793	10,384,193
Plant & equipment purchases	1,938,529	78,282
	<u>8,571,322</u>	<u>10,462,475</u>

Operating Leasing Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial report

	Actual 2018/19	Actual 2017/18
Payable:	\$	\$
Not later than 1 year	742,015	767,631
Later than 1 year but not later than 5 years	724,912	1,288,587
Later than 5 years	-	7,663
	<u>1,466,927</u>	<u>2,063,881</u>

City of Cockburn
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

20a. Assets Classified by Function

Total Assets Classified by Function and Activity

	Actual 2018/19	Actual 2017/18 (Restated)#
	\$	
General Purpose Funding	49,757,859	60,694,002
Governance	60,843,747	28,063,877
Law, Order and Public Safety	1,552,132	1,782,638
Health	795,944	1,870,783
Education and Welfare	3,428,956	3,124,572
Community Amenities	57,465,789	54,856,982
Recreation and Culture	130,208,468	136,340,506
Transport	663,349,765	645,257,471
Economic Services	1,959,656	1,853,249
Other Property and Services	366,348,792	339,520,322
Total	1,335,711,109	1,273,364,402

Restated - Refer note 39

20b. Disposal of Assets

	Net Book Value		Sale Price		Profit/Loss	
	Actual 2018/19	Budget 2018/19	Actual 2018/19	Budget 2018/19	Actual 2018/19	Budget 2018/19
BY FUNCTION						
Governance	-	-	-	-	-	-
Law, Order and Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Education and Welfare	-	-	-	20,000	-	20,000
Community Amenities	-	-	-	-	-	-
Recreation and Culture	973,437	-	-	-	(973,437)	-
Transport	214,822	795,876	451,245	571,000	236,424	(224,876)
Economic Services	-	-	-	-	-	-
Other Property and Services	5,598,414	1,331,396	8,151,906	3,296,000	2,553,492	1,964,604
Total	6,786,672	2,127,272	8,603,151	3,887,000	1,816,479	1,759,728
BY ASSET CLASSIFICATION						
Land	5,108,529	680,000	7,640,691	2,850,000	2,532,162	2,170,000
Buildings	973,437	-	-	-	(973,437)	-
Infrastructure - Parks Equipment	-	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-	-
Computers	-	-	-	-	-	-
Plant and Equipment	704,707	1,447,272	962,460	1,037,000	257,753	(410,272)
Total	6,786,672	2,127,272	8,603,151	3,887,000	1,816,479	1,759,728

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT									
20c. Control Over Contributions									
Funding Bodies	Purpose	Function	Opening Balance (1) 1/07/17	Received (2) 2017/18	Expended (3) 2017/18	Closing Balance (1) 30/06/18	Received (2) 2018/19	Expended (3) 2018/19	Closing Balance (1) 30/06/19
Alcoa Kwinana Refinery	Operating grant for delivering services	Recreation & Culture	10,000	-	-	10,000	-	8,372	1,628
Australian Sports Commission	Capital grant for building construction	Recreation & Culture	-	18,182	-	-	72,000	9,820	62,180
City of Armasale Contribution	Operating grant for delivering services	Transport	-	200,000	-	18,182	-	-	18,182
Community Sports and Recreation	Capital grant for park construction	Recreation & Culture	171,720	-	371,720	-	-	-	-
Department Child Protection	Operating grant for delivering services	Education & Welfare	79,121	-	-	79,121	-	-	79,121
Department Local Government and Communities	Operating grant for delivering services	Education & Welfare	40,469	349,839	351,920	38,388	352,273	372,440	18,222
Department of Child Protection	Operating grant for delivering services	Education & Welfare	46,408	129,457	126,621	48,038	-	1,205	48,038
Department of Communities Child Protection and Family Support	Operating grant for delivering services	Education & Welfare	54,038	275,139	236,090	93,086	342,506	312,132	123,860
Department of Education and Training	Operating grant for delivering services	Education & Welfare	2,238	745,354	695,608	51,984	3,462,573	3,501,588	12,969
Department of Environment Regulation	Operating grant for delivering services	Community Amenities	-	449,530	391,480	58,480	-	56,518	1,932
Department of Health	Operating grant for delivering services	Education & Welfare	152,185	2,604,434	2,486,229	265,389	2,842,953	2,788,376	322,676
Department of Infrastructure and Regional Development	Capital grant for roads construction	Transport	1,961,436	3,754,058	3,714,532	2,000,962	4,055,719	3,935,977	2,120,704
Department of Local Government	Capital grant for park construction	Other Property & Services	-	160,000	-	160,000	-	67,184	92,816
Department of Parks & Wildlife Community & Regional Parks	Operating grant for delivering services	Other Property & Services	100,000	85,000	60,238	4,763	-	4,763	-
Department of Sports and Recreation	Operating grant for delivering services	Recreation & Culture	69,144	250,619	182,903	93,465	33,304	34,185	59,280
Developer Contribution - Terranova Pty Ltd	Developer contribution for park construction	Other Property & Services	-	-	20,499	67,716	5,000	28,529	72,491
Disability Services Commission	Operating grant for delivering services	Education & Welfare	107,652	162,883	-	162,883	-	37,432	16,216
Disability Services Commission	Developer contribution for building construction	Education & Welfare	-	651,002	464,452	294,212	241,329	303,038	232,603
Fremantle Ports	Operating grant for delivering services	Recreation & Culture	11,019	10,000	-	-	-	-	-
Government of Western Australia Mental Health Commission	Operating grant for delivering services	Education & Welfare	-	14,800	11,818	9,201	-	234	8,967
Hope Community Services	Capital grant for sign installation	Education & Welfare	-	111,614	1,855	12,945	-	8,796	4,149
Local Government Heritage Culture and the Arts	Operating grant for delivering services	Recreation & Culture	-	-	96,593	15,021	111,514	96,368	28,267
Main Roads WA	Capital grant for roads construction	Transport	542,197	1,580,106	1,468,336	653,966	3,689,762	1,401,757	2,941,971
Ngala and Parenting Research Centre	Operating grant for delivering services	Education & Welfare	1,471	13,200	6,617	8,054	10,560	10,707	7,908
Private Contributions	Operating grant for delivering services	Other Property & Services	233,127	95,251	42,553	285,825	77,198	59,552	303,471
Public Transport Authority of WA	Capital grant for building construction	Transport	-	49,965	13,202	36,764	39,699	62,727	13,736
South Lake Otley Family and Community Centre	Operating grant for delivering services	Other Property & Services	-	54,580	51,892	2,688	-	2,688	-
State Emergency Management Committee	Operating grant for delivering services	Law, Order & Public Safety	1,323	59,000	53,250	7,073	-	-	1,323
State Natural Resource Management Office	Operating grant for delivering services	Other Property & Services	909	-	-	909	-	-	909
WA Local Government Association	Operating grant for delivering services	Transport	1,000	-	-	1,000	-	29	971
Grand Total			3,585,466	11,804,413	10,865,941	4,532,938	15,368,087	13,276,543	6,625,482

(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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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

21. FINANCIAL RATIOS

	2019	2018 (Restated)†	2017 (Restated)†
Current Ratio	0.97	1.33	1.09
Asset Sustainability Ratio	0.46	0.74	1.44
Debt Service Cover Ratio	8.72	5.53	9.53
Operating Surplus Ratio	0.01	-0.05	0.08
Own Source Revenue Coverage Ratio	0.94	0.96	0.97
Asset Consumption Ratio	0.69	0.70	0.69
Asset Renewal Funding Ratio	0.75	0.71	0.73

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	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

† Restated - Refer note 39

City of Cockburn
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22. Information on Borrowings

Loan Repayments

Particulars/Purpose	Principal 1 July 2018 # \$	Interest Rate	Maturity Date	Principal Repayments		Principal 30 June 2019		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture									
To assist fund the Cockburn Central West development	20,000,000	2.96%	27 June 2026	2,500,000	2,500,000	17,500,000	17,500,000	782,613	708,945
Waste Management									
Guarantee of borrowings for SMRC capital spend	7,753,809	various	30 June 2023	1,493,540		6,433,583 =		287,591	1,667,000
Total	27,753,809			3,993,540	2,500,000	23,933,583	17,500,000	1,070,204	2,375,945

= Includes population adjustment of \$173,314

Unspent Loans

There is no unspent loans as at 30 June 2019.

Restated - Refer note 39

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

23a. Statement of Rating Information

	Qty	NON-MINIMUM				MINIMUMS				TOTALS			
		Rateable value \$	Rate in \$	Yield \$	Budget 2018-2019	Qty	Rateable Value \$	Amount	Yield \$	Budget 2018-2019	Qty	Rateable Value \$	Yield \$
2018/19													
GRV													
Improved Commercial/Industrial	2,617	338,038,596	0.0782900	26,465,041	28,413,352	208	1,630,516	771	160,368	160,368	2,895	339,668,102	26,571,721
Improved Commercial - Caravan Park	2	1,778,244	0.1047400	189,253	189,253	2	1,778,244	1,778	189,253	189,253	2	1,778,244	189,253
Improved Residential	30,252	693,794,650	0.0745500	51,743,217	51,743,217	12,411	197,887,196	1,328	16,481,808	16,481,808	42,663	891,681,846	68,225,025
Vacant	1,447	38,509,350	0.0882500	3,486,700	3,486,700	1,446	9,585,073	741	1,071,466	1,071,466	2,893	49,094,423	4,558,166
UV													
Rural Vacant Land	53	71,274,000	0.0040500	288,660	288,660	1	13,000	940	940	940	54	71,287,000	289,600
Rural General	216	171,532,100	0.0036300	451,126	451,126	14	2,343,995	940	13,160	13,160	232	173,875,995	464,289
Ex Gratia Rates (GRV)	1	47,667,756		3,731,909	3,731,909						1	47,667,756	3,731,909
Total Rates Levied	34,590	1,362,594,686		86,352,909	86,352,909	14,080	211,459,680		17,727,762	17,727,762	48,670	1,575,054,366	104,070,343
2017/18													
GRV													
Improved Commercial/Industrial	2,566	360,979,080	0.0765300	29,270,623	29,270,623	208	1,631,016	757	157,456	157,456	2,794	382,610,096	29,428,079
Improved Commercial - Caravan Park	2	1,778,244	0.0997500	177,360	177,360	2	1,778,244	1,778	177,360	177,360	2	1,778,244	177,360
Improved Residential	29,025	665,593,858	0.0731900	48,714,827	48,714,827	12,089	192,028,750	1,303	15,751,967	15,751,967	41,114	858,222,608	64,466,794
Vacant	1,590	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
UV													
Rural Vacant Land	52	70,654,000	0.0038800	281,203	281,203	2	184,000	923	1,844	1,844	54	70,838,000	283,047
Rural General	224	160,042,100	0.0025800	464,506	464,506	11	1,483,763	922	10,142	10,142	235	161,525,863	474,651
Total Rates Levied	33,469	1,342,376,332		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
2017/18													
GRV & UV													
Rates Received in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Improved - Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Rates	33,469	1,342,376,332		82,660,748	82,660,748	13,839	206,334,189		17,072,746	17,072,746	47,308	1,548,709,481	99,680,112

23b. Specified Area Rates

	Rate in \$	Basis of Rate	Qty	Rateable Value	Yield	Interim Rate Revenue	Budget 2018-2019	Applied to Costs	Budget Applied to Costs
2018/19									
Port Coogee Special Maintenance	0.012442	GRV	1,085	29,893,170	371,931	27,352	387,000	208,633	387,000
Port Coogee Waterways	0.012442	GRV	64	3,938,080	48,998	153	49,150	49,500	49,500
Cockburn Coast Maintenance	0.012442	GRV	51	1,066,570	13,295	5,921	19,216	13,500	3,453
Specified Area Rates - Illara Lake Sewer Stage 1	0.020204	GRV	26	3,467,736	70,062	(6,020)	64,036	64,036	9,972
Total Specified Area Rates			1,226	38,367,556	594,286	27,399	531,685	450,000	446,372
2017/18									
Port Coogee Special Maintenance	0.01221	GRV	807	26,167,700	319,434	39,481	358,915	274,000	358,915
Port Coogee Waterways	0.01221	GRV	54	3,845,100	46,949	1,383	48,332	59,000	79,742
Cockburn Coast Maintenance	0.01221	GRV	861	30,000,800	366,383	41,760	41,760	409,143	286,084
Total Specified Area Rates			861	30,000,800	366,383	41,760	41,760	409,143	286,084

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24. Interest Charges, Administration Fees and Instalments

	Interest	Admin	Actual	Actual
	Rate	Fee	2018/19	2017/18
	%	\$	\$	\$
Administration Fee		5.00	226,474	241,853
Penalty Interest - Rates	7.00		246,497	213,573
Penalty Interest - ESL	11.00		35,031	17,738
Instalment Interest	3.50	-	462,329	422,033
			970,331	895,198

Payment by Instalments

Council offered ratepayers the option of paying rates and charges by four instalments. 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) Paid in full by 24 August 2018

(b) Pay in four instalments due:

1. 24 August 2018
2. 26 October 2018
3. 4 January 2019
4. 8 March 2019

(c) Weekly or fortnightly instalment direct debits commencing 14 August 2018 to 14 June 2019

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%

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 - DFES

The Minister for Emergency Services deemed the penalty interest rate for 2018/19 to be 11% 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.

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25. GRANT REVENUE

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:			
<i>By Nature or Type:</i>			
Operating Grants, Subsidies and Contributions	12,786,397	12,233,842	12,800,692
Non-Operating Grants, Subsidies and Contributions	12,695,763	10,133,695	11,455,693
	<u>25,482,160</u>	<u>22,367,537</u>	<u>24,256,385</u>
<i>By Program:</i>			
General Purpose Funding	7,273,342	7,063,945	7,058,056
Governance	252,776	80,000	601,319
Law, Order & Public Safety	343,851	240,730	298,023
Recreation & Culture	6,479,171	6,354,658	10,995,485
Community Amenities	1,319,029	1,000,000	975,088
Transport	9,813,990	7,628,204	4,328,414
	<u>25,482,160</u>	<u>22,367,537</u>	<u>24,256,385</u>

26. Fees and Charges

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$		\$
General Purpose Funding	507,894	438,800	444,674
Governance	254,425	14,800	11,830
Law Order & Public Safety	762,510	465,596	546,800
Health	346,700	287,500	307,069
Education & Welfare	1,671,911	1,652,846	1,576,171
Community Amenities	9,942,906	9,290,245	9,780,262
Recreation & Culture	11,818,095	11,815,703	11,472,294
Transport	324,921	240,000	223,806
Economic Services	1,865,053	1,975,301	1,813,712
Other Property & Services	3,023,773	2,807,822	2,524,127
	<u>30,518,189</u>	<u>28,988,612</u>	<u>28,700,746</u>

27. Number of Employees

	Actual 2018/19	Actual 2017/18
	No.	No.
Number of full-time equivalent (FTE) employees as at balance date:	511	478

28. Superannuation

	Actual 2018/19	Actual 2017/18
	\$	\$
Contributory	801,756	713,769
S.G. Occupational	4,941,859	4,681,399
	<u>5,743,616</u>	<u>5,395,169</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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>	
	Actual	Actual (\$)	Actual	Actual (\$)
	2018/19	2017/18	2018/19	2017/18
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	7,586,674	791,393	7,586,674	791,393
Other Financial Assets	158,541,031	139,045,550	158,541,031	139,045,550
Receivables	12,438,587	9,198,213	12,438,587	9,198,213
	<u>178,566,292</u>	<u>149,035,156</u>	<u>178,566,292</u>	<u>149,035,156</u>
Financial Liabilities				
Borrowings	23,933,583	27,753,809	24,679,895	27,874,726
Payables	9,281,200	10,516,264	9,281,200	10,516,264
Sundry Deposits and Bonds	5,938,610	-	5,938,610	-
	<u>39,153,393</u>	<u>38,270,073</u>	<u>39,899,705</u>	<u>38,390,990</u>

* Restated refer note 39

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, other financial assets – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

(a) Cash & Cash Equivalents and Other Financial Assets

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 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 issuers or factors affecting similar instruments traded in a market.

Cash and investments are 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
2018/19	2017/18
\$	\$

Impact of a 1% movement in interest rates on cash

- Equity	86,048	17,495
- Statement of Comprehensive Income	86,048	17,495

(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 expected credit loss in 2018 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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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

29. Financial Risk Management

Ageing Analysis of Receivables

	Carrying Amount	Not Past due & not impaired	Up to 1 Month	Past Due But Not Impaired		
				1 - 3 Months	3 Months to 1 Year	More than 1 Year
	\$	\$	\$	\$	\$	\$
2018/19						
Expected Credit Loss		0.00%	0.00%	0.00%	0.00%	0.00%
Rates Receivables	3,461,214	-	-	-	2,443,058	1,018,156
Sundry Receivables	8,690,705	1,944,811	2,087,920	3,723,087	934,888	-
Loss Allowance		-	-	-	-	-
	<u>12,151,919</u>	<u>1,944,811</u>	<u>2,087,920</u>	<u>3,723,087</u>	<u>3,377,945</u>	<u>1,018,156</u>
2017/18						
Rates Receivables	3,129,793	-	-	-	2,171,668	958,125
Sundry Receivables	6,068,421	3,349,448	1,976,213	271,826	470,933	-
Loss Allowance		-	-	-	-	-
	<u>9,198,213</u>	<u>3,349,448</u>	<u>1,976,213</u>	<u>271,826</u>	<u>2,642,601</u>	<u>958,125</u>

(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 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
	\$	\$	\$	\$	\$
2018/19					
Borrowings	5,721,810	17,101,952	5,708,500	28,532,262	23,933,583
Payables	9,281,200	-	-	9,281,200	9,281,200
Sundry Deposits and Bonds	5,938,610	-	-	5,938,610	5,938,610
	<u>20,941,620</u>	<u>17,101,952</u>	<u>5,708,500</u>	<u>43,752,071</u>	<u>39,153,393</u>
2017/18					
Borrowings	5,234,881	19,757,060	8,399,250	33,391,191	27,753,809
Payables	10,516,264	-	-	10,516,264	10,516,264
Sundry Deposits and Bonds	-	-	-	0	0
	<u>15,751,145</u>	<u>19,757,060</u>	<u>8,399,250</u>	<u>43,907,455</u>	<u>38,270,073</u>

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.

(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 2019.

	Weighted Average Effective Interest Rate	Interest Rate Exposure				Nominal Amount
		Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	
	%	\$	\$	\$	\$	\$
2018/19						
Financial Assets						
Cash & Cash Equivalents	1.00	7,586,674	-	7,586,674	-	7,586,674
Other Financial Assets	2.68	158,541,031	158,400,894	-	140,137	158,541,031
Receivables	2.26	12,151,919	-	1,018,156	11,133,763	12,151,919
Total		<u>178,279,624</u>	<u>158,400,894</u>	<u>8,604,830</u>	<u>11,273,900</u>	<u>178,279,624</u>
Financial Liabilities						
Borrowings	3.68	23,933,583	23,933,583	-	-	24,679,895
Accounts Payable		9,281,200	-	-	9,281,200	9,281,200
Deposits/Bonds	1.25	5,938,610	-	-	-	-
Total		<u>33,214,783</u>	<u>23,933,583</u>	<u>-</u>	<u>9,281,200</u>	<u>33,961,095</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

29. Financial Risk Management

2018/19	Maturity Dates				
	Carrying Amount	Up to 1 month	1 - 3 Months	3 Months to 1 Year	More than 1 Year
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Cash Equivalents	7,586,674	7,586,674	-	-	-
Other Financial Assets	158,541,031	32,975,902	32,866,238	91,557,860	1,141,031
Receivables	12,151,919	4,032,730	3,723,087	3,377,945	1,018,156
Total	178,279,624	44,595,307	36,589,325	94,935,805	2,159,187
Financial Liabilities					
Borrowings	23,933,583	-	-	3,320,561	20,613,023
Accounts Payable	9,281,200	1,668,351	7,028,343	549	597,052
Deposits/Bonds	5,938,610	-	-	-	-
Total	39,153,393	1,668,351	7,028,343	3,321,109	21,210,075

The following table provides comparatives as at 30th June 2018:

2017/18	Interest Rate Exposure				
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$
Financial Assets					
Cash & Cash Equivalents #	1.25	791,393	-	791,393	-
Other Financial Assets	2.70	139,045,550	138,921,816	-	123,734
Receivables	2.72	9,198,213	-	958,125	8,240,088
Total		149,035,156	138,921,816	1,749,518	8,363,822
Financial Liabilities					
Borrowings	3.69	27,753,809	27,753,809	-	-
Accounts Payable	-	10,516,264	-	-	10,516,264
Deposits/Bonds	1.50	-	-	-	-
Total		38,270,073	27,753,809	-	10,516,264

Restated refer note 39

2017/18	Maturity Dates				
	Carrying Amount	Up to 1 month	1 - 3 Months	3 Months to 1 Year	More than 1 Year
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Cash Equivalents #	791,393	791,393	0	0	-
Other Financial Assets	139,045,550	13,475,902	32,866,238	91,557,860	1,145,550
Receivables	9,198,213	5,325,661	271,826	2,642,601	958,125
Total	149,035,156	19,592,956	33,138,064	94,200,461	2,103,675
Financial Liabilities					
Borrowings	27,753,809	-	-	4,807,261	22,946,548
Accounts Payable	10,516,264	6,314,389	1,611,202	991,659	376,965
Deposits/Bonds	-	-	-	-	-
Total	38,270,073	6,314,389	1,611,202	5,798,920	23,323,513

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30. Elected Members Remuneration

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
The following fees, expenses and allowances were paid to councillors and the mayor:			
Meeting Fees	329,322	329,318	320,437
Vehicle Mileage Claims	4,985	10,000	8,106
Mayoral/Deputy Mayoral Allowances	111,115	111,080	111,115
Communication Expenses	41,190	35,000	42,129
	<u>486,613</u>	<u>485,398</u>	<u>481,787</u>

31. Economic Dependency

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

	Actual 2018/19	Budget 2018/19	Actual 2017/18
	\$	\$	\$
The total of grant revenue from Government sources	25,482,160	22,367,537	24,256,385

32. Events after the Reporting Date

There were no events identified after the reporting period that would materially impact the financial report.

33. Major Land Transactions

The City did not participate in any major land transactions during the 2018/19 financial year.

34. Trading Undertakings and Major Trading Undertakings

The City did not participate in any trading undertakings or major trading undertakings during the 2018/19 financial year.

35. Trust Funds

Funds totalling \$5,865,908 previously held in trust bank account have been transferred to the Municipal bank account and included in the funds shown as Restricted Cash/Financial Assets at Note 3.

	Opening Balance 1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Funds	Closing Balance 30 June 2019
	\$	\$	\$		\$
Bonds and Deposits	5,834,444	31,464	-	(5,865,908)	-
Public Open Space	6,004,913	1,399,815	(1,117,986)		6,286,742
	<u>11,839,357</u>	<u>1,431,279</u>	<u>(1,117,986)</u>	<u>(5,865,908)</u>	<u>6,286,742</u>

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Note 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
- Financial Assets at Fair Value

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:

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Recurring Fair Value Measurements

Non-Financial Assets – 2018/19	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Land	9(b)	-	82,952,040	-	82,952,040
Buildings	9(b)	-	-	222,393,754	222,393,754
Furniture and Equipment	9(b)	-	-	1,634,608	1,634,608
Computer Equipment	9(b)	-	-	4,039,032	4,039,032
Plant & Machinery	9(b)	-	13,523,749	-	13,523,749
Roads	10(b)	-	-	378,793,868	378,793,868
Footpaths	10(b)	-	-	59,385,201	59,385,201
Drainage	10(b)	-	-	214,668,325	214,668,325
Landfill Infrastructure	10(b)	-	-	19,794,526	19,794,526
Parks Equipment	10(b)	-	-	53,545,951	53,545,951
Marina Infrastructure	10(b)	-	-	41,465,585	41,465,585
Total		-	96,475,789	995,720,850	1,092,196,639
Financial Assets – 2018/19	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets at FVTPL	4(a)	-	-	140,137	140,137
Total		-	-	140,137	140,137
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
Non-Financial Assets – 2017/18	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
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)	-	-	42,442,793	42,442,793
Total		-	98,984,701	959,805,385	1,058,790,086
Financial Assets – 2017/18	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets Available for Sale	4(a)	-	-	123,734	123,734
Total		-	-	123,734	123,734
* Restated - Refer to Note 39					

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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 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 2019 (\$)	Valuation Technique(s)	Inputs Used
Land	2	82,952,040	Market Approach	Price per square metre
Buildings	3	222,393,754	Market Approach Cost Approach Using Current Replacement Cost	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	1,634,608	Cost Approach Using Current Replacement Cost	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	4,039,032	Cost Approach Using Current Replacement Cost	Make, size, year of manufacture and condition
Plant & Machinery	2	13,523,749	Market Approach	Make, size, year of manufacture and condition
Financial Assets at FVTPL	3	123,734	Market Approach	The proportion of net assets from WALGA's balance sheet over the number of units held by the City.

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Asset	Level of Valuation Input	Fair Value at 30 June 2019 (\$)	Valuation Technique(s)	Inputs Used
Roads	3	378,793,868	Cost Approach Using Current Replacement Cost	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	59,385,201	Cost Approach Using Current Replacement Cost	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
Drainage	3	214,668,325	Cost Approach Using Current Replacement Cost	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	19,794,526	Cost Approach Using Current Replacement Cost	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	53,545,951	Cost Approach Using Current Replacement Cost	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	41,465,585	Market Approach Cost Approach Using Current Replacement Cost	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		1,092,196,639		

Recurring Fair Value Measurements

The City's Infrastructure assets were revalued as at 30 June 2019 by Management Valuation. These were valued on the basis that the entity intended to retain these assets for

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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.

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

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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. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- 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.
- 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.
- 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:

- 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.
- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition, and 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.

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- 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.
- 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.

Financial Assets at FVTPL

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 2019. 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.

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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:

- Current contract rates from the City of Cockburn's contract management system.
- Internal knowledge from key operational stakeholders.
- Current charge out rates for internal labour activities.
- 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 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 2019/20.

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:

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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)

2018/19	Furniture Equipment	Computer Equipment	Financial Assets at FVTPL	Buildings	Infrastructure Roads, Drainage & Footpath	Parks Equipment	Landfill	Marina *
Fair Value at start of period	2,147,807	4,153,841	123,734	215,120,020	619,838,915	55,310,434	20,791,575	42,442,793
Additions/Adjustment	59,434	1,100,125	16,403	14,565,065	27,225,099	2,737,097	91,513	-
Revaluation Increments/(decrements) recognised in Profit or Loss	-	-	-	-	-	-	-	-
Revaluation Increments/(decrements) recognised in Other Comprehensive Income	-	-	-	-	21,290,331	-	-	-
Disposals	(204,680)	-	-	(973,438)	-	-	-	-
Depreciation Expense	(367,953)	(1,214,936)	-	(6,317,893)	(15,506,950)	(4,501,580)	(1,088,562)	(977,208)
Fair Value at the end of period	1,634,608	4,039,032	140,137	222,393,754	652,847,394	53,545,951	19,794,526	41,465,585
Total Gains or losses for the period included in profit or loss, under 'other Gains'	-	-	-	-	-	-	-	-

*Restated Refer to Note 39

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2017/18

	Furniture Equipment	Computer Equipment	Financial Assets Available for Sale	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	48,188,933
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	-	-	-	-	-	-	-	(4,768,932)
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)	(977,208)
Fair Value at the end of period	2,147,807	4,153,841	123,734	215,120,020	619,838,915	55,310,434	20,791,575	42,442,793
Total Gains or losses for the period included in profit or loss, under 'other Gains'	-	-	-	-	-	-	-	-

*Restated – Refer note 39

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37. Related Party Transaction

Key Management Personnel (KMP) Compensation Disclosure

	Actual 2018/19	Actual 2017/18
The total remuneration for KMP of the City during the year are as follows:		
Short-term employee benefits	1,314,040	1,314,040
Post-employment benefits	112,078	112,078
Other long-term benefits	421,862	327,429
	<u>1,847,980</u>	<u>1,753,547</u>

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. Investment in Associate Arrangements Accounted for Under the Equity Method

The interest in the SMRC is accounted for in these financial statements using the equity method of accounting. For details of interests held in associates, refer to Note 17.

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 2018/19	Actual 2017/18
Associates		
Waste disposal payments made to Southern Metropolitan Regional Council	5,980,280	6,420,874
Amounts Payable to Related Parties:		
Loans due to associated entities	-	-

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38. Opening & Closing Funds used in the Rate Setting Statement

	Actual 2018/19	Actual 2018/19# (Restated)	Actual 2017/18# (Restated)
	(30 June 2019 Carried Forward)	(1 July Brought Forward)	(30 June 20d) Carried Forward)
	\$	\$	\$
Surplus/(Deficit) - Rate Setting Statement	7,236,184	11,967,494	11,967,494
Comprises:			
Cash and Cash Equivalents	7,586,674	791,393	791,393
Financial Assets - Current	157,400,000	137,900,000	137,900,000
Trade & Other Receivables	11,133,763	8,240,088	8,240,088
Other Assets	187,192	282,233	282,233
Inventories	33,335	35,600	35,600
	<u>176,340,965</u>	<u>147,249,315</u>	<u>147,249,315</u>
Less:			
Trade & Other Payables	(12,778,469)	(10,516,264)	(10,516,264)
Provisions	(12,299,621)	(6,730,946)	(6,730,946)
	<u>(25,078,090)</u>	<u>(17,247,210)</u>	<u>(17,247,210)</u>
Net Current Assets	151,262,875	130,002,105	130,002,105
Less:			
Restricted Financial Assets - Reserve Funds	(130,028,109)	(110,905,097)	(110,905,097)
Restricted Financial Assets - Deposits & Bonds	(2,441,341)	-	-
Committed Financial Assets (unspent grants & contributions)	(12,558,134)	(8,151,330)	(8,151,330)
	<u>(145,027,585)</u>	<u>(119,056,427)</u>	<u>(119,056,427)</u>
Add:			
Restricted Financial Assets held in Non Current Investments	1,000,894	1,021,816	1,021,816
Surplus/(Deficit)	7,236,184	11,967,494	11,967,494

There was no difference between the Surplus/(Deficit) 1 July 2018 Brought Forward position used in the 2019 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2018 audited financial report.

Restated - Refer note 39

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39. Prior Year Restatements

During the year ended 30 June 2019, the following misstatements were identified relating to prior financial periods. These misstatements have been corrected by restating each of the affected financials statement line items for prior periods. The misstatements have had no impact on the Statement of Cash Flows, unless otherwise noted below, and are set out below:

- Amounts invested in term deposits with maturity terms greater than three months at inception should have been recognised as Other financial assets as they did not meet the definition of Cash and cash equivalents in accordance with applicable accounting standards. In previous periods, these amounts were recorded as Cash and cash equivalents. As a consequence, cash and cash equivalents was overstated by \$110,900,000 and \$137,900,000 as at 1 July 2017 and 30 June 2018, respectively, with corresponding understatements of Other financial assets. This mis-statement also had the effect of understating payments for terms deposits and net cash used in investing activities by \$27,000,000 in the Statement of Cash Flows for the year ended 30 June 2018.
- The interest accrued on term deposits was incorrectly recognised as Cash & Cash Equivalents instead of Trade & Other Receivables in FY2017. As a consequence, Cash & Cash Equivalents was overstated by \$1,576,840 as at 1 July 2017.
- The fair value of Marina infrastructure assets gifted to it in FY2017 was not correctly determined at that time. As a consequence, the City has determined that Marina Infrastructure assets, net of accumulated depreciation, was overstated as at 1 July 2017 and 30 June 2018, by \$8,242,441 and \$8,273,834 respectively and that depreciation expense was understated for the year ended 30 June 2018 by \$31,393.
- The Provision for Site Rehabilitation and related Rehabilitation Assets had not been accurately measured in prior years as certain valuation assumptions used in the financial model have been determined to be inaccurate. As a consequence, the Provision for Site Rehabilitation was understated at 1 July 2017 and 30 June 2018 by \$10,841,544 and \$11,054,890, respectively, and the related Rehabilitation Assets had been understated as at 1 July 2017 and 30 June 2018 by \$9,808,345 and \$8,872,106 respectively. In addition, amortisation expense was understated by \$1,498,996 and interest expense was overstated by \$349,411 for the year ended 30 June 2018.
- The investment in the Southern Metropolitan Regional Council (SMRC), which was being recorded under the equity method, should have been characterised as an investment in an associate, rather than as an investment in a joint venture. The City presented its equity accounted investment net of the loan liabilities relating to the SMRC as at 1 July 2017 and changes in the balance of the loan liabilities were directly offset against the Increase/Decrease in Equity – Joint Venture (Statement of Comprehensive Income), rather than as principal repayments and interest expense. For the year ended 30 June 2018, the City did not recognise the Loan Liability for the SMRC and recorded principal and interest payments directly in the Statement of Comprehensive Income as Other Expenses. In correcting these matters, the City has re-characterised its investment in the SMRC as an Investment accounted for using the equity method (Statement of Financial Position) and Share of the profit or loss of associates accounted for using the equity method (Statement of Comprehensive Income), is no longer presenting the investment in an associate net of the related loan liability and has brought to account a Loan Liability as at 30 June 2018. As a consequence of these matters, the City's Investment accounted for using the equity method has been increased by \$9,060,080 and \$633,420 as at 1 July 2017 and 30 June 2018, respectively, and it has separately recorded a Loan Liability of \$9,060,080 and \$7,753,809 as at 1 July 2017 and 30 June

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2018, respectively. SMRC loan related payments totaling \$1,667,547, originally classified as Other Expenses, have been restated to Interest Expenses of \$361,276 and Principal Repayment of \$1,306,271. The City's Share of the loss in associates accounted for using the equity method was increased by \$8,426,660 for the year ended 30 June 2018.

- As a result of these prior year restatements, a number of the City's financial ratios as at 30 June 2018 and 30 June 2017 have altered. For 2018, the Current Ratio decreased from 1.479 to 1.327, the Debt Service Cover Ratio decreased from 10.370 to 5.527, the Operating Surplus Ratio decreased from 0.008 to -0.053, the Own Source Coverage Ratio increased from 0.957 to 0.958 and the Asset Consumption Ratio increased from 0.691 to 0.702. For 2017, the Current Ratio decreased from 1.432 to 1.089 and the Asset Sustainability Ratio decreased from 1.442 to 1.440.

The following table summarises the impacts on the financial statements:

Statement of Financial Position (30 June 2018 Restatement)

In dollars	Original Amount	Adjustment	Restated Amount
Cash and Cash Equivalents	138,691,393	(137,900,000)	791,393
Financial Assets	-	137,900,000	137,900,000
Total Current Assets	147,249,315	-	147,249,315
Infrastructure	769,939,931	(8,273,834)	761,666,096
Rehabilitation Assets	15,905,773	8,872,106	24,777,879
Investment in Associate	923,569	633,420	1,556,989
Total Non Current Assets	1,124,883,395	1,231,692	1,126,115,087
Borrowings (current)	(2,500,000)	(1,500,000)	(4,000,000)
Total Current Liabilities	(19,747,210)	(1,500,000)	(21,247,210)
Provisions	(19,536,167)	(11,054,890)	(30,591,057)
Borrowings (non-current)	(17,500,000)	(6,253,809)	(23,753,809)
Total Non Current Liabilities	(37,036,167)	(17,308,699)	(54,344,866)
Net Assets	1,215,349,333	(17,577,007)	1,197,772,326
Accumulated Surplus	(572,943,223)	17,577,007	(555,366,216)
Total Equity	(1,215,349,333)	17,577,007	(1,197,772,326)

Statement of Financial Position (1 July 2017 Restatement)

In dollars	Original Amount	Adjustment	Restated Amount
Cash and Cash Equivalents	115,396,082	(112,476,840)	2,919,242
Financial Assets	3,841,492	110,900,000	114,741,492
Trade & Other Receivables	6,894,909	1,576,840	8,471,749
Total Current Assets	127,065,830	-	127,065,830
Infrastructure	740,089,224	(8,242,441)	731,846,783
Rehabilitation Assets	16,211,653	9,808,345	26,019,998
Investment in Associate	6,592,991	9,060,080	15,653,071
Total Non Current Assets	1,093,178,248	10,625,984	1,103,804,232
Borrowings (current)	(2,500,000)	(1,300,000)	(3,800,000)
Total Current Liabilities	(18,477,419)	(1,300,000)	(19,777,419)

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Provisions	(18,957,592)	(10,841,544)	(29,799,136)
Borrowings (non-current)	(20,000,000)	(7,760,080)	(27,760,080)
Total Non Current Liabilities	(38,957,592)	(18,601,624)	(57,559,216)
Net Assets	1,162,809,067	(9,275,640)	1,153,533,427
Accumulated Surplus	(553,757,996)	9,275,640	(544,482,356)
Total Equity	(1,162,809,067)	9,275,640	(1,153,533,427)

Statement of Comprehensive Income (2018 Restatement)

In dollars	Original Amount	Adjustment	Restated Amount
Depreciation on Non Current Assets	(30,241,974)	(31,393)	(30,273,367)
Amortisation on Landfill Infrastructure	(1,390,921)	(1,498,996)	(2,889,917)
Interest Expense - Provision for Site Rehabilitation	(505,193)	349,411	(155,782)
Interest Expense	(726,777)	(361,276)	(1,088,053)
Other Expenses	(8,996,907)	1,667,547	(7,329,360)
Total Operating Expenditure	(141,651,872)	125,293	(141,526,579)
Increase/(Decrease) in Equity - Associate	(5,669,422)	(8,426,660)	(14,096,082)
Net Result	32,718,585	(8,301,367)	24,417,217

Statement of Cash Flows (2018 Restatement)

In dollars	Original Amount	Adjustment	Restated Amount
Interest Expense	(726,777)	(361,276)	(1,088,053)
Other Expenses	(8,996,907)	1,667,547	(7,329,360)
Net cash provided by operating activities	40,715,198	1,306,271	42,021,469
Payments for Term Deposits	-	(27,000,000)	(27,000,000)
Net cash used in investing activities	(13,343,047)	(27,000,000)	(40,343,047)
Loan principal repayment	(2,500,000)	(1,306,271)	(3,806,271)
Net cash used in financing activities	(2,500,000)	(1,306,271)	(3,806,271)
Net increase/(decrease) in cash and cash equivalents	24,872,152	(27,000,000)	(2,127,848)
Cash and cash equivalents at the beginning of the year	115,396,082	(112,476,840)	2,919,242
Cash and cash equivalents at the end of the year	138,691,393	(137,900,000)	791,393

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