



City of Cockburn

# Annual Report 2021–2022

## Financial Report



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# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 City of Cockburn

To the Councillors of the City of Cockburn

### Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2022 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 below.

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer of the City is responsible for:

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

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

## **My independence and quality control relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the City of Cockburn for the year ended 30 June 2022 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General For Western Australia  
Perth, Western Australia  
9 December 2022

**CITY OF COCKBURN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

*Cockburn the best place to be.*

Principal place of business:  
Spearwood, WA



CITY OF COCKBURN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the City of Cockburn for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the City of Cockburn at 30 June 2022 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

8<sup>th</sup>

day of DECEMBER 2022



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Anton Lees

Acting Chief Executive Officer



**CITY OF COCKBURN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**

		2022	2022	2021
	NOTE	Actual	Revised Budget	Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	27(a),2(a)	112,884,886	112,741,339	108,305,167
Operating grants, subsidies and contributions	2(a)	15,305,806	15,475,921	15,363,201
Fees and charges	26(c),2(a)	40,182,411	37,491,673	30,280,412
Interest earnings	2	2,247,972	1,770,000	1,786,797
		<b>170,621,075</b>	<b>167,478,933</b>	<b>155,735,577</b>
<b>Expenses</b>				
Employee costs		(64,234,698)	(65,776,973)	(62,845,278)
Materials and contracts		(36,755,548)	(39,321,984)	(35,998,197)
Utility charges		(5,937,681)	(6,236,541)	(6,002,003)
Depreciation	10(a)	(35,104,328)	(35,475,161)	(38,568,691)
Finance costs	2(b)	(1,290,813)	(642,341)	(1,174,733)
Insurance		(2,999,469)	(2,325,200)	(1,681,861)
Other expenditure	2(b)	(13,740,358)	(14,073,695)	(8,732,562)
		<b>(160,062,895)</b>	<b>(163,851,895)</b>	<b>(155,003,325)</b>
Capital grants, subsidies and contributions	2	39,525,700	32,332,003	21,254,356
Profit on asset disposals	10(b)	1,744,761	5,117,517	504,360
Loss on asset disposals	10(b)	(17,753)	0	(362,880)
Fair value adjustments to financial assets at fair value through profit or loss		7,993	0	5,172
Adjusted share of former associate loan liability		0	0	(36,683)
Loss on revaluation of Infrastructure - marina	9(a)	0	0	(6,476,864)
		<b>41,260,701</b>	<b>37,449,520</b>	<b>14,887,461</b>
<b>Net result for the period</b>	26(b)	<b>51,818,881</b>	<b>41,076,558</b>	<b>15,619,713</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	169,210,702	0	22,254,558
<b>Total other comprehensive income for the period</b>		<b>169,210,702</b>	<b>0</b>	<b>22,254,558</b>
<b>Total comprehensive income for the period</b>		<b>221,029,583</b>	<b>41,076,558</b>	<b>37,874,271</b>

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



**CITY OF COCKBURN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	20,777,520	4,606,858
Trade and other receivables	5	7,935,622	6,770,687
Other financial assets	4(a)	92,800,000	197,500,000
Inventories	6	49,805	39,896
Other assets	7	4,724,157	5,396,926
<b>TOTAL CURRENT ASSETS</b>		<b>126,287,104</b>	<b>214,314,367</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	1,337,216	1,324,079
Other financial assets	4(b)	102,055,748	1,089,135
Property, plant and equipment	8	348,489,480	339,326,772
Infrastructure	9	1,098,860,378	890,486,978
Right-of-use assets	11(a)	105,540	310,363
Intangible assets	12	0	19,010,399
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,550,848,362</b>	<b>1,251,547,726</b>
<b>TOTAL ASSETS</b>		<b>1,677,135,466</b>	<b>1,465,862,093</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	19,478,364	17,194,160
Other liabilities	14	4,994,711	6,552,672
Lease liabilities	11(b)	114,651	218,182
Borrowings	15	3,934,065	4,020,624
Employee related provisions	16	9,186,433	9,499,673
<b>TOTAL CURRENT LIABILITIES</b>		<b>37,708,224</b>	<b>37,485,311</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	1,535,484	2,010,562
Other liabilities	14	13,698,876	23,478,448
Lease liabilities	11(b)	0	115,739
Borrowings	15	7,500,000	11,445,281
Employee related provisions	16	1,462,504	1,481,992
Other provisions	17	36,418,461	32,062,428
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>60,615,325</b>	<b>70,594,450</b>
<b>TOTAL LIABILITIES</b>		<b>98,323,549</b>	<b>108,079,761</b>
<b>NET ASSETS</b>		<b>1,578,811,917</b>	<b>1,357,782,332</b>
<b>EQUITY</b>			
Retained surplus		597,992,472	555,827,438
Reserve accounts	30	181,064,488	171,410,638
Revaluation surplus	18	799,754,957	630,544,255
<b>TOTAL EQUITY</b>		<b>1,578,811,917</b>	<b>1,357,782,332</b>

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





**CITY OF COCKBURN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>561,835,270</b>	<b>149,783,095</b>	<b>608,289,697</b>	<b>1,319,908,061</b>
Comprehensive income for the period					
Net result for the period		15,619,714	0	0	15,619,714
Other comprehensive income for the period	18	0	0	22,254,558	22,254,558
Total comprehensive income for the period		15,619,714	0	22,254,558	37,874,272
Transfers from reserves	30	40,482,863	(40,482,863)	0	0
Transfers to reserves	30	(62,110,406)	62,110,406	0	0
<b>Balance as at 30 June 2021</b>		<b>555,827,438</b>	<b>171,410,638</b>	<b>630,544,255</b>	<b>1,357,782,331</b>
Comprehensive income for the period					
Net result for the period		51,818,881	0	0	51,818,881
Other comprehensive income for the period	18	0	0	169,210,702	169,210,702
Total comprehensive income for the period		51,818,881	0	169,210,702	221,029,583
Transfers from reserves	30	42,263,801	(42,263,801)	0	0
Transfers to reserves	30	(51,917,651)	51,917,651	0	0
<b>Balance as at 30 June 2022</b>		<b>597,992,472</b>	<b>181,064,488</b>	<b>799,754,957</b>	<b>1,578,811,914</b>

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



**CITY OF COCKBURN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		112,917,969	112,725,000	109,208,389
Operating grants, subsidies and contributions		16,350,957	19,436,638	20,007,151
Fees and charges		40,182,411	30,187,348	30,280,412
Interest received		2,247,972	1,610,000	1,786,797
Goods and services tax received		6,003,543	1,500,000	4,625,722
		177,702,852	165,458,986	165,908,471
<b>Payments</b>				
Employee costs		(64,569,931)	(64,100,946)	(62,131,292)
Materials and contracts		(28,605,215)	(38,067,853)	(36,122,559)
Utility charges		(5,937,681)	(5,977,826)	(6,002,003)
Finance costs		(1,290,813)	(542,341)	(1,174,733)
Insurance paid		(2,999,469)	(1,910,200)	(1,681,861)
Goods and services tax paid		(9,720,586)	(5,500,000)	(3,348,808)
Other expenditure		(13,740,358)	(9,902,212)	(8,732,563)
		(126,864,053)	(126,001,378)	(119,193,819)
<b>Net cash provided by operating activities</b>	19(b)	50,838,799	39,457,608	46,714,652
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(20,411,979)	(13,632,206)	(19,508,521)
Payments for construction of infrastructure		(37,215,766)	(22,560,974)	(16,264,940)
Non-operating grants, subsidies and contributions		21,747,829	14,083,324	12,369,680
Proceeds from financial assets at amortised cost		3,741,380	0	(28,090,293)
Receipts of Public Open Space payments		0	0	5,419,364
Proceeds from sale of property, plant & equipment	10(b)	3,138,542	1,150,000	1,512,958
<b>Net cash used in investing activities</b>		(28,999,994)	(20,959,856)	(44,561,752)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	29(a)	(4,031,840)	(4,020,624)	(3,969,288)
Net receipts/(refund) of bonds		(1,417,033)	0	1,702,756
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(250,000)	0
Payments for principal portion of lease liabilities	29(b)	(219,271)	0	(413,420)
<b>Net cash used in financing activities</b>		(5,668,144)	(4,270,624)	(2,679,952)
<b>Net increase (decrease) in cash held</b>		16,170,661	14,227,128	(527,052)
Cash at beginning of year		4,606,858	5,758,451	5,133,910
<b>Cash and cash equivalents at the end of the year</b>	19(a)	20,777,520	19,985,579	4,606,858

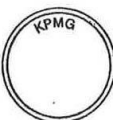
This statement is to be read in conjunction with the accompanying notes.



**CITY OF COCKBURN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

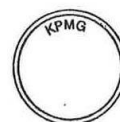
	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus</b>	28(c)	8,588,183	0	12,171,050
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	27(b)	584,043	555,000	554,196
Operating grants, subsidies and contributions		15,305,806	15,436,638	15,363,201
Fees and charges		40,182,411	30,187,348	30,280,412
Interest earnings		2,247,972	1,610,000	1,786,797
Profit on asset disposals	10(b)	1,744,761	401,770	504,360
Fair value adjustments to financial assets at fair value through profit or loss		7,993	0	5,172
Share of net profit of associates and joint ventures accounted for using the equity method		0	0	(36,683)
		60,072,986	48,190,756	48,457,455
<b>Expenditure from operating activities</b>				
Employee costs		(64,234,698)	(64,100,946)	(62,845,278)
Materials and contracts		(36,755,548)	(38,067,853)	(35,998,197)
Utility charges		(5,937,681)	(5,977,826)	(6,002,003)
Depreciation		(35,104,328)	(36,429,117)	(38,568,690)
Finance costs		(1,290,813)	(542,341)	(1,174,733)
Insurance		(2,999,469)	(1,910,200)	(1,681,861)
Other expenditure		(13,740,358)	(9,902,212)	(8,732,562)
Loss on asset disposals	10(b)	(17,753)	(120,846)	(362,880)
Loss on revaluation of non-current assets		0	0	(6,476,864)
		(160,080,648)	(157,051,341)	(161,843,068)
Non-cash amounts excluded from operating activities	28(a)	27,913,163	37,595,813	52,791,959
<b>Amount attributable to operating activities</b>		(63,506,316)	(71,264,772)	(48,422,604)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		39,525,700	12,635,704	21,254,356
Proceeds from disposal of assets	10(b)	3,138,542	1,150,000	1,512,958
Purchase of property, plant and equipment	8(a)	(20,411,979)	(13,632,206)	(19,508,521)
Purchase and construction of infrastructure	9(a)	(45,214,065)	(22,560,974)	(27,681,546)
Payments for rehabilitation assets	12	0	0	(307,177)
		(22,961,802)	(22,407,476)	(24,729,930)
<b>Amount attributable to investing activities</b>		(22,961,802)	(22,407,476)	(24,729,930)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	29(a)	(4,031,840)	(4,020,624)	(3,969,288)
Payments for principal portion of lease liabilities	29(b)	(219,271)	0	(413,420)
Transfers to reserves (restricted assets)	30	(51,917,651)	(32,572,323)	(62,110,406)
Transfers from reserves (restricted assets)	30	42,263,801	18,255,309	40,482,863
<b>Amount attributable to financing activities</b>		(13,904,961)	(18,337,638)	(26,010,251)
<b>Deficit before imposition of general rates</b>		(100,373,079)	(112,009,886)	(99,162,785)
<b>Total amount raised from general rates</b>	27(a)	112,300,842	112,170,000	107,750,971
<b>Surplus after imposition of general rates</b>	28(c)	<b>11,927,763</b>	<b>160,114</b>	<b>8,588,188</b>

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



**CITY OF COCKBURN  
FOR THE YEAR ENDED 30 JUNE 2022  
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**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

**The local government reporting entity**

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

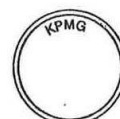
**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets



**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

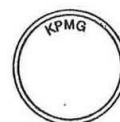
**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When taxable event occurs
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When taxable event occurs
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When taxable event occurs
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Based on the progress of works to match performance obligations
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Based on the progress of works to match performance obligations
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	On receipt of funds
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Based on timing of issue of the associated rights
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Apportioned equally across the inspection cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Applied fully on timing of inspection
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Apportioned equally across the collection period
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Based on timing of entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Based on timing of entry to facility
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Apportioned equally across the access period
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Applied fully based on timing of provision
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Applied fully based on timing of provision
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	On receipt of funds
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES (Continued)**

**Revenue Recognition**

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

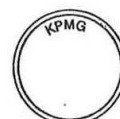
**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	112,884,886	0	112,884,886
Operating grants, subsidies and contributions	(1,045,151)	0	0	16,350,957	15,305,806
Fees and charges	0	0	35,844,670	4,337,741	40,182,411
Interest earnings	0	0	257,589	1,990,382	2,247,972
Non-operating grants, subsidies and contributions	9,779,572	21,747,829	0	7,998,299	39,525,700
<b>Total</b>	<b>8,734,421</b>	<b>21,747,829</b>	<b>148,987,145</b>	<b>30,677,379</b>	<b>210,146,774</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	108,305,167	0	108,305,167
Operating grants, subsidies and contributions	4,643,950	0	0	10,719,251	15,363,201
Fees and charges	0	0	30,280,412	0	30,280,412
Interest earnings	0	0	(607)	1,787,404	1,786,797
Non-operating grants, subsidies and contributions	2,531,930	7,305,820	0	11,416,606	21,254,356
<b>Total</b>	<b>7,175,880</b>	<b>7,305,820</b>	<b>138,584,972</b>	<b>23,923,261</b>	<b>176,989,933</b>

Note	2022 Actual	2022 Revised Budget	2021 Actual
	\$	\$	\$
<b>Assets and services acquired below fair value</b>			
Contributed assets	7,998,299	0	11,416,606
	7,998,299	0	11,416,606
<b>Interest earnings</b>			
Rates instalment and penalty interest (refer Note 27(e))	257,589	185,000	(607)
Other interest earnings	1,990,383	1,585,000	1,787,404
	2,247,972	1,770,000	1,786,797
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	70,000	80,000	75,000
- Other assurance services	23,208	56,855	13,014
	93,208	136,855	88,014
<b>Finance costs</b>			
Borrowings 29(a)	537,173	539,500	688,838
Other provisions: unwinding of discount 17	750,261	100,000	478,574
Lease liabilities 29(b)	3,378	2,841	7,321
	1,290,813	642,341	1,174,733
<b>Other expenditure</b>			
Sundry expenses	13,740,358	14,073,695	8,732,562
	13,740,358	14,073,695	8,732,562



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Term deposits  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	2,777,520	4,606,858
	18,000,000	0
19(a)	20,777,520	4,606,858
	18,009,631	897,014
19(a)	2,767,889	3,709,844
	20,777,520	4,606,858

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 19.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost  
 Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Term deposits

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

	2022	2021
	\$	\$
	92,800,000	197,500,000
	92,800,000	197,500,000
	92,800,000	197,500,000
	92,800,000	197,500,000
	8,640,942	19,536,690
19(a)	84,159,058	177,963,310
	92,800,000	197,500,000
	101,900,141	941,521
	155,607	147,614
	102,055,748	1,089,135
	101,900,141	941,521
	101,900,141	941,521
	155,607	147,614
	155,607	147,614

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates.

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

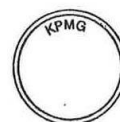
**Financial assets at fair value through profit and loss**

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

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has 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 23.





**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
Trade and other receivables  
GST (payable)/receivable

**Non-current**

Pensioner's rates and ESL deferred  
Accrued debtors

Note	2022	2021
	\$	\$
	2,204,257	2,153,253
	5,948,590	4,538,533
	(217,225)	78,901
	7,935,622	6,770,687
	1,069,553	1,056,416
	267,663	267,663
	1,337,216	1,324,079

**SIGNIFICANT ACCOUNTING POLICIES**

**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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**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 23.

**Classification and subsequent measurement**

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

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

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

**6. INVENTORIES**

**Current**

Fuel and materials

Note	2022	2021
	\$	\$
	49,805	39,896
	49,805	39,896

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Additions to inventory

**Balance at end of year**

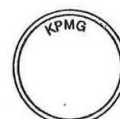
	39,896	31,107
	9,909	8,789
	49,805	39,896

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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



**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. OTHER ASSETS**

	2022	2021
	\$	\$
<b>Other assets - current</b>		
Prepayments	437,162	605,421
Accrued income	4,286,995	4,791,505
	4,724,157	5,396,926

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land	Buildings - non-specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Computer equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		82,970,737	230,752,584	313,723,321	1,309,454	13,437,918	4,131,525	332,602,218
Additions*		280,000	14,264,988	14,544,988	0	3,774,304	1,189,229	19,508,521
Disposals		(383,662)	(362,880)	(746,542)	0	(624,936)	0	(1,371,478)
Revaluation increments / (decrements) transferred to revaluation surplus		2,242,125	(1,995,558)	246,567	0	0	0	246,567
Depreciation	10(a)	0	(6,440,036)	(6,440,036)	(349,808)	(3,289,721)	(1,579,491)	(11,659,056)
<b>Balance at 30 June 2021</b>		85,109,200	236,219,098	321,328,298	959,646	13,297,565	3,741,263	339,326,772
<b>Comprises:</b>								
Gross balance amount at 30 June 2021		85,109,200	328,876,864	413,986,064	2,363,780	24,907,560	9,690,899	450,948,303
Accumulated depreciation at 30 June 2021		0	(92,657,766)	(92,657,766)	(1,404,134)	(11,609,995)	(5,949,636)	(111,621,531)
<b>Balance at 30 June 2021</b>		85,109,200	236,219,098	321,328,298	959,646	13,297,565	3,741,263	339,326,772
Additions		840,000	16,327,781	17,167,781	0	2,140,925	1,103,273	20,411,979
Disposals		(990,000)	(17,753)	(1,007,753)	0	(403,781)	0	(1,411,534)
Depreciation	10(a)	0	(4,419,346)	(4,419,346)	(338,180)	(3,340,352)	(1,739,859)	(9,837,737)
<b>Balance at 30 June 2022</b>		84,959,200	248,109,780	333,068,980	621,466	11,694,357	3,104,677	348,489,480
<b>Comprises:</b>								
Gross balance amount at 30 June 2022		84,959,200	345,028,644	429,987,844	2,363,780	24,974,363	10,794,171	468,120,158
Accumulated depreciation at 30 June 2022		0	(96,918,864)	(96,918,864)	(1,742,314)	(13,280,006)	(7,689,494)	(119,630,678)
<b>Balance at 30 June 2022</b>		84,959,200	248,109,780	333,068,980	621,466	11,694,357	3,104,677	348,489,480

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

During the year ended 30 June 2021	0	46,045	46,045	0	0	0	0	46,045
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**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

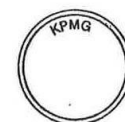
**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	Level 2 and 3	Market Approach, Cost Approach using Current Replacement Cost	Independent Registered Valuer	June 2021	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.
Buildings - non-specialised	Level 2 and 3	Market Approach, Cost Approach using Current Replacement Cost	Independent Registered Valuer	June 2021	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. INFRASTRUCTURE**

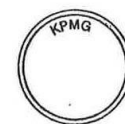
**(a) Movements in Balances**

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

Note	Infrastructure - roads	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - parks equipment	Infrastructure - landfill	Infrastructure - marina	Infrastructure - coastal	Infrastructure - Rehabilitation asset	Total Infrastructure
<b>Balance at 1 July 2020</b>	\$ 453,456,595	\$ 241,773,998	\$ 60,338,150	\$ 53,658,532	\$ 19,832,589	\$ 12,284,672	\$ 29,806,552	\$ 0	\$ 871,151,088
Additions*	13,494,183	6,750,574	2,227,607	4,608,793	306,972	277,932	15,485	0	27,681,546
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	(2,558,164)	0	24,566,155	0	22,007,991
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	(6,476,864)	0	0	(6,476,864)
Depreciation	10(a) (12,384,835)	(2,988,755)	(1,774,262)	(4,197,319)	(1,054,445)	(517,558)	(1,679,053)	0	(24,596,227)
Transfers	2,668,450	0	0	3,384,225	0	0	(5,333,231)	0	719,444
<b>Balance at 30 June 2021</b>	457,234,393	245,535,817	60,791,495	57,454,231	16,526,952	5,568,182	47,375,908	0	890,486,978
<b>Comprises:</b>									
Gross balance at 30 June 2021	738,739,252	306,045,728	88,514,227	85,796,375	48,680,902	8,827,367	53,103,903	0	1,329,707,754
Accumulated depreciation at 30 June 2021	(281,504,859)	(60,509,911)	(27,722,732)	(28,342,144)	(32,153,950)	(3,259,185)	(5,727,995)	0	(439,220,776)
<b>Balance at 30 June 2021</b>	457,234,393	245,535,817	60,791,495	57,454,231	16,526,952	5,568,182	47,375,908	0	890,486,978
Additions*	23,918,277	3,341,126	2,941,922	4,685,390	139,263	5,674,881	907,434	3,605,772	45,214,065
Revaluation increments / (decrements) transferred to revaluation surplus	86,567,409	1,021,399	50,435,246	31,186,648	0	0	0	0	169,210,702
Depreciation	10(a) (12,930,514)	(3,057,395)	(1,826,069)	(4,568,854)	(1,464,821)	(221,927)	(594,275)	(397,912)	(25,061,767)
Transfers						(1,120,804)	1,120,804	19,010,399	19,010,399
<b>Balance at 30 June 2022</b>	554,789,565	246,840,947	112,342,594	88,757,415	15,201,394	9,900,332	48,809,872	22,218,259	1,098,860,378
<b>Comprises:</b>									
Gross balance at 30 June 2022	875,773,640	311,999,954	160,164,824	126,071,994	48,820,165	13,381,444	55,132,142	40,700,769	1,632,044,932
Accumulated depreciation at 30 June 2022	(320,984,075)	(65,159,007)	(47,822,230)	(37,314,579)	(33,618,771)	(3,481,112)	(6,322,270)	(18,482,510)	(533,184,554)
<b>Balance at 30 June 2022</b>	554,789,565	246,840,947	112,342,594	88,757,415	15,201,394	9,900,332	48,809,872	22,218,259	1,098,860,378

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

During the year ended 30 June 2021	4,138,269	5,858,528	967,256	406,508	0	0	0	0	11,370,561
During the year ended 30 June 2022	3,689,968	2,495,291	762,337	1,050,703	0	0	0	0	7,998,299



**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
	<b>Infrastructure - roads</b>	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2022	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
	<b>Other infrastructure - drainage</b>	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2022	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
	<b>Other infrastructure - footpaths</b>	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2022	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
	<b>Other infrastructure - parks equipment</b>	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2022	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
	<b>Other infrastructure - landfill</b>	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount

Other infrastructure - marina	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Other infrastructure - coastal	3	Market Approach Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount

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

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. FIXED ASSETS**

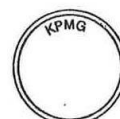
**(a) Depreciation**

		2022	2022	2021
	Note	Actual	Revised Budget	Actual
		\$	\$	\$
Buildings - non-specialised	8(a)	4,419,346	4,414,944	6,440,036
Furniture and equipment	8(a)	338,180	356,736	349,808
Plant and equipment	8(a)	3,340,352	3,325,969	3,289,721
Computer equipment	8(a)	1,739,859	1,647,672	1,579,491
Infrastructure - roads	9(a)	12,930,514	12,752,220	12,384,835
Infrastructure - drainage	9(a)	3,057,395	3,077,976	2,988,755
Infrastructure - footpaths	9(a)	1,826,069	1,827,192	1,774,262
Infrastructure - parks equipment	9(a)	4,568,854	4,380,012	4,197,319
Infrastructure - landfill	9(a)	1,464,821	1,116,024	1,054,445
Infrastructure - marina	9(a)	221,927	228,000	517,558
Infrastructure - coastal	9(a)	594,275	506,196	1,679,053
Infrastructure - Rehabilitation asset	9(a)	397,912	1,626,288	0
Right-of-use assets - plant and equipment	11(a)	204,823	215,932	379,943
		35,104,328	35,475,161	36,635,226

**Depreciation rates**

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

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





CITY OF COCKBURN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022				2022				2021			
	Actual Net Book Value \$	Actual Sale Proceeds \$	2022 Actual Profit \$	2022 Actual Loss \$	Revised Budget Net Book Value \$	Revised Budget Sale Proceeds \$	Revised Budget Profit \$	Revised Budget Loss \$	Actual Net Book Value \$	Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Land - freehold land	990,000	2,427,055	1,437,055	0	990,000	5,510,560	4,520,560	0	383,662	483,147	99,485	0
Buildings - non-specialised	17,753	0	0	(17,753)	0	0	0	0	362,880	0	0	(362,880)
Plant and equipment	403,781	711,487	307,706	0	869,076	1,466,033	596,957	0	624,936	1,029,811	404,875	0
	1,411,534	3,138,542	1,744,761	(17,753)	1,859,076	6,976,593	5,117,517	0	1,371,478	1,512,958	504,360	(362,880)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
Building	17,753	0	0	(17,753)
<b>Transport</b>				
Plant & Machinery	156,742	387,058	230,316	0
<b>Other property and services</b>				
Land	1,237,038	2,751,483	1,514,445	0
	1,411,533	3,138,542	1,744,761	(17,753)



## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement for assets held at cost

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

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

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

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

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

#### Revaluation

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

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

#### Revaluation (continued)

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

#### Depreciation

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

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

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.

#### Depreciation on revaluation

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

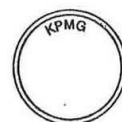
- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. 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
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### Amortisation

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

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

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. LEASES**

**(a) Right-of-Use Assets**

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

	Note	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$
<b>Balance at 1 July 2020</b>		708,987	708,987
Remeasurement		(18,681)	(18,681)
Depreciation		(379,943)	(379,943)
<b>Balance at 30 June 2021</b>		310,363	310,363
Depreciation	10(a)	(204,823)	(204,823)
<b>Balance at 30 June 2022</b>		105,540	105,540

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(204,823)	(379,943)
Interest expense on lease liabilities	29(b)	(3,378)	(7,321)
Short-term lease payments recognised as expense		(219,271)	(413,420)
<b>Total amount recognised in the statement of comprehensive income</b>		(427,472)	(800,684)
Total cash outflow from leases		(222,649)	(420,741)
<b>(b) Lease Liabilities</b>			
Current		114,651	218,182
Non-current		0	115,739
	29(b)	114,651	333,921

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 29(b).

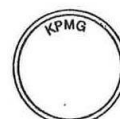
**Right-of-use assets - valuation measurement**

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

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

**Right-of-use assets - depreciation**

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



The City leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the City is exposed to changes in the residual value at the end of the current leases, the City typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

## SIGNIFICANT ACCOUNTING POLICIES

### The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 to allocate the consideration under the contract to each component.



**CITY OF COCKBURN**  
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**FOR THE YEAR ENDED 30 JUNE 2022**

**12. INTANGIBLE ASSETS**

	2022 Actual	2021 Actual
Note	\$	\$
<b>Intangible assets</b>		
<b>Non-current</b>		
Rehabilitation asset	35,866,621	35,866,621
Less: Accumulated amortisation	(16,856,222)	(16,856,222)
	19,010,399	19,010,399
Transferred to Infrastructure - Rehabilitation Asset	(19,010,399)	0
	(19,010,399)	0
	0	19,010,399
Movements in balances of intangible assets during the financial year are shown as follows:		
Recognition of rehabilitation asset	19,010,399	20,636,687
Amortisation of rehabilitation asset	0	307,177
Transferred to Infrastructure - Rehabilitation Asset	(19,010,399)	
Amortisation expense	0	(1,933,465)
<b>Balance at 30 June</b>	0	19,010,399
<b>TOTAL INTANGIBLE ASSETS</b>	0	19,010,399

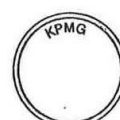
**SIGNIFICANT ACCOUNTING POLICIES**

**Rehabilitation asset**

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

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 inwinding 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.

Rehabilitation asset has now been transferred to infrastructure and are disclosed under note 9 - Infrastructure



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**13. TRADE AND OTHER PAYABLES**

**(a) Current**

Sundry creditors  
 Prepaid rates  
 Bonds and deposits held  
 Other prepaid income

**(b) Non-Current**

Non-Current Sundry Deposits & Bonds

	2022	2021
	\$	\$
	14,266,920	11,078,563
	2,169,005	2,071,781
	2,767,889	3,709,844
	274,550	333,972
	<b>19,478,364</b>	<b>17,194,160</b>
	1,535,484	2,010,562
	<b>1,535,484</b>	<b>2,010,562</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

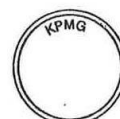
**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**14. OTHER LIABILITIES**

	2022	2021
	\$	\$
<b>Current</b>		
Contract liabilities	4,994,711	6,552,672
	<u>4,994,711</u>	<u>6,552,672</u>
<b>Non-current</b>		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	13,698,876	18,059,084
Public Open Space payments	0	5,419,364
	<u>13,698,876</u>	<u>23,478,448</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	30,031,120	16,240,534
Additions	23,679,604	35,178,555
Public Open Space payment transferred to comprehensive income	(5,419,364)	0
Revenue from contracts with customers included as a contract liability at the start of the period	(29,597,772)	(21,387,969)
	<u>18,693,588</u>	<u>30,031,120</u>
	18,693,588	30,031,120

The City expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

**Expected satisfaction of capital grant/contribution/contract liabilities**

Less than 1 year	4,994,711	6,552,672
1 to 2 years	200,001	5,531,120
2 to 3 years	5,000,000	10,000,000
3 to 4 years	2,500,000	1,500,000
4 to 5 years	5,000,000	3,000,000
> 5 years	998,875	3,447,328
	<u>18,693,588</u>	<u>30,031,120</u>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.



**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**15. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Bank loans		3,934,065	7,500,000	11,434,065	4,020,624	11,445,281	15,465,905
<b>Total secured borrowings</b>	29(a)	3,934,065	7,500,000	11,434,065	4,020,624	11,445,281	15,465,905

**Secured liabilities and assets pledged as security**

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

The City of Cockburn has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 23. Details of individual borrowings required by regulations are provided at Note 29(a).





**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**16. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	4,812,649	5,078,573
	4,373,784	4,421,100
	9,186,433	9,499,673
	1,462,504	1,481,992
	1,462,504	1,481,992
	10,648,937	10,981,665

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

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

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	9,186,433	9,499,673
	1,462,504	1,481,992
	10,648,937	10,981,665

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

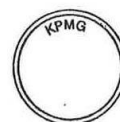
Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service,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

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

**Other long-term employee benefits**

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

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17. OTHER PROVISIONS**

Note	Provision for remediation costs	Total
	\$	\$
<b>Opening balance at 1 July 2021</b>		
Non-current provisions	32,062,428	32,062,428
	<u>32,062,428</u>	<u>32,062,428</u>
Additional provision	8,094,843	8,094,843
Amounts used	(4,489,071)	(4,489,071)
Charged to profit or loss		
- unwinding of discount	750,261	750,261
2(b)	<u>750,261</u>	<u>750,261</u>
<b>Balance at 30 June 2022</b>	<u>36,418,461</u>	<u>36,418,461</u>
<b>Comprises</b>		
Non-current	36,418,461	36,418,461
	<u>36,418,461</u>	<u>36,418,461</u>

**Other provisions**

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

**Provision for remediation costs**

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

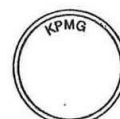
The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

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

**Provisions**

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

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

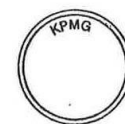


**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**18. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	109,636,919	0	0	0	109,636,919	107,394,794	2,242,125	0	2,242,125	109,636,919
Revaluation surplus - Buildings - non-specialised	20,308,730	0	0	0	20,308,730	22,304,288	0	(1,995,558)	(1,995,558)	20,308,730
Revaluation surplus - Infrastructure - roads	242,583,513	86,567,409	0	86,567,409	329,150,922	242,583,513	0	0	0	242,583,513
Revaluation surplus - Infrastructure - drainage	180,649,687	1,021,399	0	1,021,399	181,671,086	180,649,687	0	0	0	180,649,687
Revaluation surplus - Infrastructure - footpaths	44,505,093	50,435,246	0	50,435,246	94,940,339	44,505,093	0	0	0	44,505,093
Revaluation surplus - Infrastructure - parks equipment	8,253,626	31,186,648	0	31,186,648	39,440,274	8,253,626	0	0	0	8,253,626
Revaluation surplus - Infrastructure - landfill	40,532	0	0	0	40,532	2,598,696	0	(2,558,164)	(2,558,164)	40,532
Revaluation surplus - Infrastructure - coastal	24,566,155	0	0	0	24,566,155	0	24,566,155	0	24,566,155	24,566,155
	630,544,255	169,210,702	0	169,210,702	799,754,957	608,289,697	26,808,280	(4,553,722)	22,254,558	630,544,255

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**19. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	20,777,520	19,985,579	4,606,858
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	2,767,889	6,187,785	3,709,844
- Financial assets at amortised cost	4	84,159,058	173,460,699	177,963,310
		<u>86,926,947</u>	<u>179,648,484</u>	<u>181,673,154</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts		79,164,347	173,460,700	171,410,638
Contract liabilities from contracts with customers		4,994,711	6,187,784	6,552,672
Bonds & deposits		2,767,889	0	3,709,844
<b>Total restricted financial assets</b>		<u>86,926,947</u>	<u>179,648,484</u>	<u>181,673,154</u>

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

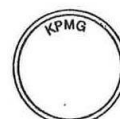
Net result		51,818,881	15,945,119	15,619,713
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(7,993)	0	(5,172)
Depreciation/amortisation		35,104,328	36,429,117	38,568,691
(Profit) on sale of asset		(1,727,008)	(280,924)	(141,480)
Share of profits of associates		0	0	36,683
Loss on revaluation of fixed assets		0	0	6,476,864
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(1,178,072)	0	907,559
Decrease/(increase) in other assets		672,769	0	(896,275)
(Increase) in inventories		(9,909)	0	(8,789)
Increase in trade and other payables		3,226,159	0	1,265,743
(Decrease)/increase in employee related provisions		(332,728)	0	934,783
Increase/(decrease) in other provisions		4,356,033	0	(628,603)
(Decrease)/increase in other liabilities		(1,557,961)	1,447,620	5,839,290
Non-operating grants, subsidies and contributions		(39,525,700)	(14,083,324)	(21,254,356)
<b>Net cash provided by operating activities</b>		<u>50,838,799</u>	<u>39,457,608</u>	<u>46,714,651</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Credit card limit		350,000		300,000
Credit card balance at balance date		(90,676)		(83,067)
<b>Total amount of credit unused</b>		<u>259,324</u>		<u>216,933</u>

**Loan facilities**

Loan facilities - current		3,934,065		4,020,624
Loan facilities - non-current		7,500,000		11,445,281
<b>Total facilities in use at balance date</b>		<u>11,434,065</u>		<u>15,465,905</u>



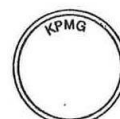
**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**20. CONTINGENT LIABILITIES**

Council resolved to acquire land from landowners abutting Jandakot Road to widen Jandakot Road. Eight of the landowners objected to the acquisition of the land and have progressed a claim for compensation against the City which totals an estimated \$20.5 million more than the compensation determined in accordance with the City's Valuer advice. The land was compulsorily acquired by 30 June 2021 and the compensation determined by the City was paid subsequent to year end. It is likely the claim will be resolved via a court case, but this has not progressed as yet.

**21. CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- Capital expenditure projects	16,997,675	26,829,616
- Smart LED street lighting	0	10,730,919
- Hammond Road branch to Bartram	8,747,007	0
- Land acquisition - Cockburn Coast Oval	9,433,304	9,308,277
- Plant & equipment purchases	4,051,483	1,055,256
	39,229,469	47,924,068
Payable:		
- not later than one year	5,067,687	35,125,146
- later than one year but not later than five years	34,161,782	12,798,922

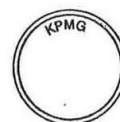


**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**22. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2021 Actual \$
<b>Mayor Logan Howlett</b>		
Mayor's annual allowance	89,753	89,753
Meeting attendance fees	47,516	47,516
Other expenses	0	144
Annual allowance for ICT expenses	2,673	3,500
	139,942	140,913
<b>Deputy Mayor Clr Tom Widenbar</b>		
Deputy Mayor's annual allowance	15,573	0
Meeting attendance fees	31,678	31,678
Child care expenses	2,175	5,621
Other expenses	105	224
Annual allowance for ICT expenses	3,500	3,500
Travel and accommodation expenses	237	994
	53,268	42,017
<b>Clr Lara Kirkwood</b>		
Deputy Mayor's annual allowance	6,900	22,438
Meeting attendance fees	31,678	31,678
Child care expenses	1,030	0
Other expenses	86	143
Annual allowance for ICT expenses	3,060	3,500
Travel and accommodation expenses	666	1,107
	43,420	58,866
<b>Clr Lee-Anne Smith</b>		
Meeting attendance fees	6,061	31,678
Annual allowance for ICT expenses	0	3,500
	6,061	35,178
<b>Clr Philip Eva</b>		
Meeting attendance fees	31,678	31,678
Annual allowance for ICT expenses	3,100	3,500
Travel and accommodation expenses	366	0
	35,144	35,178
<b>Clr Chamonix Terblanche</b>		
Meeting attendance fees	24,279	31,678
Child care expenses	1,425	6,944
Annual allowance for ICT expenses	3,500	3,500
Travel and accommodation expenses	368	2,329
	29,572	44,451
<b>Clr Kevin Allen</b>		
Meeting attendance fees	31,678	31,678
Annual allowance for ICT expenses	2,745	3,500
Travel and accommodation expenses	663	489
	35,086	35,667
<b>Clr Michael Separovich</b>		
Meeting attendance fees	31,678	31,678
Annual allowance for ICT expenses	3,500	3,500
	35,178	35,178



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**(a) Elected Member Remuneration (continued)**

Note	2022 Actual	2021 Actual
	\$	\$
<b>Clr Chontelle Sands</b>		
Meeting attendance fees	31,678	31,678
Annual allowance for ICT expenses	2,750	3,500
Travel and accommodation expenses	735	0
	<b>35,163</b>	<b>35,178</b>
<b>Clr Phoebe Corke</b>		
Meeting attendance fees	31,678	31,678
Other expenses	0	25
Annual allowance for ICT expenses	3,500	3,500
Travel and accommodation expenses	1,450	1,393
	<b>36,628</b>	<b>36,596</b>
<b>Clr Tarun Dewan</b>		
Meeting attendance fees	22,420	0
Annual allowance for ICT expenses	2,802	0
Travel and accommodation expenses	1,199	0
	<b>26,421</b>	<b>0</b>
<b>Clr Carol Reeve-Fowkes</b>		
Travel and accommodation expenses	3,077	0
	<b>3,077</b>	<b>0</b>
	<b>478,960</b>	<b>499,222</b>

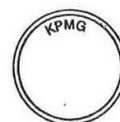
Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual	2021 Actual
	\$	\$
Mayor's annual allowance	89,753	89,753
Deputy Mayor's annual allowance	22,474	22,438
Meeting attendance fees	322,022	332,618
Child care expenses	4,630	12,565
Other expenses	191	536
Annual allowance for ICT expenses	31,129	35,000
Travel and accommodation expenses	8,763	6,311
22(b)	<b>478,960</b>	<b>499,222</b>

**(b) Key Management Personnel (KMP) Compensation**

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	1,773,385	1,502,817
Post-employment benefits	185,177	150,165
Employee - other long-term benefits	489,629	668,550
Council member costs	478,960	499,222
22(a)	<b>2,927,150</b>	<b>2,820,752</b>



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

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

**(c) Related Parties**

**The City's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.





**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.0056%	20,777,520	18,000,000	2,777,520	0
Financial assets at amortised cost - term deposits	0.0076%	194,700,141	194,700,141	0	0
<b>2021</b>					
Cash and cash equivalents	0.001%	4,606,858	0	4,606,858	0
Financial assets at amortised cost - term deposits	0.0062%	198,441,521	198,441,521	0	0

**Sensitivity**

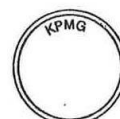
Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	27,775	46,069

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. 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 the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is 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.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,204,257	165,557	78,580	825,416	3,273,810	
Loss allowance					0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,153,253	206,878	101,475	748,063	3,209,669	
Loss allowance					0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	5,947,800	0	0	0	5,947,800	
Loss allowance					0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	4,538,533	0	0	0	4,538,533	
Loss allowance					0	5



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Closing loss allowance at 30 June	0	0	0	0	0	0

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

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

**Contract Assets**

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



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	22,012,696	17,935,989	0	39,948,685	19,478,364
Borrowings	3,934,065	7,500,000	0	11,434,065	11,434,065
Lease liabilities	114,651	0	0	114,651	114,651
	<u>26,061,412</u>	<u>25,435,989</u>	<u>0</u>	<u>51,497,401</u>	<u>31,027,080</u>
<b><u>2021</u></b>					
Trade and other payables	17,618,051	28,530,170	0	46,148,221	17,194,160
Borrowings	4,020,624	11,408,598	0	15,429,222	15,465,905
Lease liabilities	218,182	115,739	0	333,921	333,921
	<u>21,856,857</u>	<u>40,054,507</u>	<u>0</u>	<u>61,911,364</u>	<u>32,993,986</u>

**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There are no subsequent events after the reporting period.



## 25. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

In accordance with Australian Accounting Standards the City's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

### k) Initial application of accounting standards

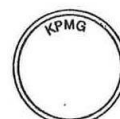
During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

### New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

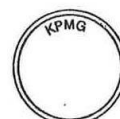


**26. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>The administration and operation of facilities and services to the elected members of Council. Also includes other corporate type costs that are not related to the specific service areas covered under the other programs.</p>
<p><b>General purpose funding</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>The collection of general-purpose revenue including rates and penalties, general-purpose grants and interest on investments. This provides the funding for much of the City's programs/activities.</p>
<p><b>Law, order, public safety</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Provision of community safety services including supervision of various by-laws, animal and dog control, as security patrol service, fire prevention and voluntary emergency services.</p>
<p><b>Health</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>The provision of community health services including the regulation and monitoring of food premises, pollution and noise complaints, pest control and managing contaminated sites.</p>
<p><b>Education and welfare</b></p> <p>To provide services to disadvantaged person, the elderly, children and youth.</p>	<p>The provision of support services to families and children, the aged and disabled and senior citizens. The provision of pre-schools and services and facilities for the youth.</p>
<p><b>Community amenities</b></p> <p>To provide services required by the community.</p>	<p>The provision of a waste and recyclables collection service and disposal and waste recovery services at the Waste Recovery Park. Providing services for the protection and management of the natural environment. The administration of the Town Planning Scheme and all associated land use planning issues.</p>
<p><b>Recreation and culture</b></p> <p>To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>The provision and operation of community halls and recreation centres, parks and ovals, beach reserves and swimming areas and library facilities. The development and provision of arts and cultural events.</p>
<p><b>Transport</b></p> <p>To provide safe, effective and efficient transport services to the community</p>	<p>All activities relating to road, drainage and footpath construction and maintenance. The creation and maintenance of streetscapes. Provision of and operating the council works depot.</p>
<p><b>Economic services</b></p> <p>To help promote the local government and its economic wellbeing.</p>	<p>Activities associated with the control of building activity within the city and the provision of facilities and services that encourage tourism.</p>
<p><b>Other property and services</b></p> <p>To monitor and control operating accounts.</p>	<p>Includes private works and engineering overheads and plant operating costs (both of which are allocated to the City's works program). Includes all other unclassified activities.</p>

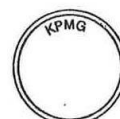


**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**26. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	153,316	133,726	47,812
General purpose funding	115,574,380	114,906,889	110,331,302
Law, order, public safety	1,116,992	714,650	1,067,006
Health	336,855	334,300	385,975
Education and welfare	762,167	960,062	441,472
Community amenities	20,042,193	18,344,571	11,097,369
Recreation and culture	11,720,692	11,135,069	11,318,071
Transport	451,422	593,525	514,562
Economic services	2,152,474	2,203,205	2,336,308
Other property and services	4,757,532	7,794,532	3,342,034
	<b>157,068,023</b>	<b>157,120,529</b>	<b>140,881,911</b>
<b>Grants, subsidies and contributions</b>			
Governance	199,316	158,980	103,391
General purpose funding	14,344,928	7,287,700	7,450,943
Law, order, public safety	426,767	335,400	401,052
Health	24,945	47,286	32,901
Education and welfare	9,336,709	10,544,913	7,517,937
Community amenities	1,050,284	1,280,460	1,577,684
Recreation and culture	4,708,384	5,609,308	4,348,386
Transport	23,210,880	20,090,164	14,283,517
Economic services	942	4,000	1,687
Other property and services	1,528,351	2,449,712	900,056
	<b>54,831,506</b>	<b>47,807,923</b>	<b>36,617,554</b>
<b>Total Income</b>	<b>211,899,529</b>	<b>204,928,452</b>	<b>177,499,465</b>
<b>Expenses</b>			
Governance	(12,888,761)	(14,470,635)	(11,176,399)
General purpose funding	(795,375)	(755,115)	(818,805)
Law, order, public safety	(6,743,517)	(7,054,884)	(6,962,857)
Health	(2,535,098)	(2,628,205)	(2,473,411)
Education and welfare	(15,256,592)	(17,335,222)	(15,438,769)
Community amenities	(35,292,728)	(35,128,901)	(33,026,756)
Recreation and culture	(45,485,908)	(44,683,991)	(47,273,685)
Transport	(32,439,850)	(32,662,323)	(31,624,909)
Economic services	(2,769,064)	(3,024,443)	(9,501,460)
Other property and services	(5,873,754)	(6,108,175)	(3,582,700)
<b>Total expenses</b>	<b>(160,080,647)</b>	<b>(163,851,894)</b>	<b>(161,879,751)</b>
<b>Net result for the period</b>	<b>51,818,882</b>	<b>41,076,558</b>	<b>15,619,714</b>





**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**26. FUNCTION AND ACTIVITY (Continued)**

	2022	2022	2021
	Actual	Revised Budget	Actual
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	153,316	133,726	47,811
General purpose funding	436,894	395,550	240,393
Law, order, public safety	1,116,992	709,650	1,067,006
Health	336,855	334,300	385,975
Education and welfare	758,803	960,062	435,245
Community amenities	20,042,193	18,344,571	11,097,369
Recreation and culture	11,720,692	11,135,069	11,318,071
Transport	221,106	265,000	240,660
Economic services	2,152,474	2,203,205	2,336,308
Other property and services	3,243,087	3,010,540	3,111,574
	<b>40,182,412</b>	<b>37,491,673</b>	<b>30,280,412</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>	
Governance	37,441,034	35,674,338	
General purpose funding	218,907,078	206,405,663	
Law, order, public safety	678,224	714,829	
Health	940,719	978,316	
Education and welfare	1,179,755	1,240,200	
Community amenities	9,660,124	8,143,494	
Recreation and culture	165,641,369	121,762,433	
Transport	910,345,627	732,518,366	
Economic services	246,641	264,100	
Other property and services	332,094,895	358,160,355	
	<b>1,677,135,466</b>	<b>1,465,862,094</b>	



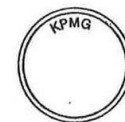
CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Improved Commercial/Industrial	Gross rental valuation	0.08342	2,693	345,599,580	28,829,917	0	0	28,829,917	28,829,917	0	0	28,829,917	28,279,219
Improved Commercial - Caravan Park	Gross rental valuation	0.11247	2	1,814,384	204,064	0	0	204,064	204,064	0	0	204,064	201,052
Improved Residential	Gross rental valuation	0.08638	30,292	614,801,218	53,106,524	0	0	53,106,524	53,106,529	0	0	53,106,529	52,068,531
Vacant	Gross rental valuation	0.09282	1,757	35,573,086	3,301,894	0	0	3,301,894	3,301,894	0	0	3,301,894	3,259,367
Rural Vacant Land	Unimproved valuation	0.00419	47	56,539,000	236,898	0	0	236,898	236,898	0	0	236,898	253,640
Rural General	Unimproved valuation	0.00272	71	50,730,000	137,986	0	0	137,986	137,986	0	0	137,986	134,625
Improved Commercial / Industrial	Split valuation	0.08342	22	1,345,739	112,262	0	0	112,262	112,262	0	0	112,262	107,867
Rural General	Split valuation	0.00272	0	7,019,444	19,093	0	0	19,093	19,093	0	0	19,093	17,718
Part Year Rating - GRV & UV	Split valuation	0	0	0	0	1,078,587	0	1,078,587	0	1,061,150	0	1,061,150	0
Ex-gratia rates	Split valuation	0	1	47,339,827	3,949,088	(7,277)	0	3,941,811	3,949,088	(136,000)	0	3,813,088	3,779,648
<b>Sub-Total</b>			34,885	1,160,762,278	89,897,726	1,071,310	0	90,969,036	89,897,731	925,150	0	90,822,881	88,101,667
<b>Minimum payment</b>													
Improved Commercial/Industrial	Gross rental valuation	798	203	1,539,291	161,994	0	0	161,994	161,994	0	0	161,994	160,344
Improved Commercial - Caravan Park	Gross rental valuation	798	0	0	0	0	0	0	0	0	0	0	0
Improved Residential	Gross rental valuation	1,373	15,513	213,138,912	21,299,349	0	0	21,299,349	21,299,349	0	0	21,299,349	20,891,673
Vacant	Gross rental valuation	722	1,607	9,656,285	1,160,254	0	0	1,160,254	1,160,254	0	0	1,160,254	1,111,583
								0				0	
Rural Vacant Land	Unimproved valuation	972	1	13,000	972	0	0	972	972	0	0	972	958
Rural General	Unimproved valuation	972	4	11,781	3,888	0	0	3,888	3,888	0	0	3,888	6,706
<b>Sub-Total</b>			17,328	224,359,269	22,626,457	0	0	22,626,457	22,626,457	0	0	22,626,457	22,171,264
			52,213	1,385,121,547	112,524,183	1,071,310	0	113,595,493	112,524,188	925,150	0	113,449,338	110,272,931
Concessions on general rates (Refer note 27(d))								(1,294,651)				(1,279,338)	(2,521,960)
<b>Total amount raised from general rates</b>								112,300,842				112,170,000	107,750,971
* Rateable value is based on the value of properties at the time the rate is raised.													
<b>(b) Rates (excluding general rates)</b>													
		Rate in \$											
<b>Specified Area Rates</b>													
Specified Area Rates - Port Coogee Special Area Maintenance		0.013	1,074	28,967,010	372,747	6,563	0	379,310	360,000	0	0	360,000	361,310
Specified Area Rates - Port Coogee Waterways		0.013	223	7,393,727	95,142	728	0	95,870	95,000	0	0	95,000	93,229
Specified Area Rates - Cockburn Coast Special Maintenance		0.013	146	3,235,840	41,639	3,189	0	44,828	35,000	0	0	35,000	35,623
Specified Area Rates - Bibra Lake Sewer Stage 1		0.020	26	3,169,408	64,035	0	0	64,035	65,000	0	0	65,000	64,034
<b>Sub-Total</b>			1,469	42,765,985	573,563	10,480	0	584,043	555,000	0	0	555,000	554,196
<b>Total amount raised from rates (excluding general rates)</b>								584,043				555,000	554,196
<b>(c) Total Rates</b>													
								<b>112,884,886</b>				<b>112,725,000</b>	

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

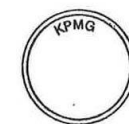


CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs	2021/22 Actual Rate Set Aside to Reserve	2021/22 Actual Reserve Applied to Costs	2021/22 Budget Rate Applied to Costs	2021/22 Budget Rate Set Aside to Reserve	2021/22 Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Specified Area Rates - Port Coogee Special Area Maintenance	Specialised maintenance of the Port Coogee Development scheme	Properties in the Port Coogee locality which are connected to the scheme.	326,398	52,912	0	200,473	159,527	180,276
Specified Area Rates - Port Coogee Waterways	Specialised maintenance of the Port Coogee waterways and associated infrastructure assets	Properties in the Port Coogee locality which are connected with the waterways.	50,000	45,871	0	90,000	5,000	0
Specified Area Rates - Cockburn Coast Special Maintenance	Specialised maintenance of parks and public areas (including custom street lighting) as per the standard agreed to between the City and the Developer.	Properties in the Cockburn Coast Development area.	10,389	34,439	0	11,429	23,571	10,318
Specified Area Rates - Bibra Lake Sewer Stage 1	Construction of the Bibra Lake Sewer Stage 1 sewerage works as Gazetted under the Health (Miscellaneous Provisions) Act 1911.	Properties within the Bibra Lake southern industrial area from Newton Street Wastewater Pumping Station, Spearwood to the City of Cockburn Operations Centre.	64,035	0	0	65,000	0	64,035
			450,822	133,222	0	366,902	188,098	254,629



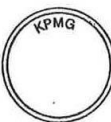
**CITY OF COCKBURN  
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FOR THE YEAR ENDED 30 JUNE 2022**

**27. RATING INFORMATION (Continued)**

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Waiver/Concession</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>2022 Actual \$</b>	<b>2022 Budget \$</b>	<b>2021 Actual \$</b>
Improved Residential	Rate	Concession			844,114	821,582	1,706,005
Improved Residential	Rate	Concession			450,537	457,756	0
Improved Commercial / Industrial	Rate	Concession			0	0	709,267
Vacant	Rate	Concession			0	0	106,688
					<b>1,294,651</b>	<b>1,279,338</b>	<b>2,521,960</b>
Total discounts/concessions					<b>1,294,651</b>	<b>1,279,338</b>	<b>2,521,960</b>

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
Improved Residential	High GRV residential property concession	To ensure year on year rates increases for all GRV residential improved properties do not exceed council's adopted annual increase	This concession is necessary as fixed waste and security charges were previously incorporated into general rates adversely impacting high GRV properties.
Improved Residential	COVID Concession - for ratepayers that would have paid more because of the GRV revaluation.	To ensure year on year rates increases for all GRV residential improved properties do not exceed council's adopted annual increase	The concession for eligible properties effectively reduces the rates payable to the same level as 2019-20. The concession does not apply to properties that will pay the same or lower rates as a result of the GRV revaluation.
Improved Commercial / Industrial	COVID Concession - for ratepayers that would have paid more because of the GRV revaluation.	To ensure year on year rates increases for all GRV residential improved properties do not exceed council's adopted annual increase	The concession for eligible properties effectively reduces the rates payable to the same level as 2019-20. The concession does not apply to properties that will pay the same or lower rates as a result of the GRV revaluation.



**CITY OF COCKBURN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**27. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b> \$	<b>Instalment Plan Interest Rate</b> %	<b>Unpaid Rates Interest Rate</b> %
<b>Option One</b>				
Single full payment	27/08/2021	0.0	0.00%	6.00%
<b>Option Two</b>				
First instalment	27/08/2021	0.0	3.00%	6.00%
Second instalment	29/10/2021	5.0	3.00%	6.00%
Third instalment	7/01/2022	5.0	3.00%	6.00%
Fourth instalment	11/03/2022	5.0	3.00%	6.00%
<b>Option Three</b>				
Smart Rates - Weekly 43 payments	27/8/2021 to 17/06/2022		3.00%	6.00%
<b>Option Four</b>				
Smart Rates - Fortnightly 22 payments	27/8/2021 to 17/06/2022		3.00%	6.00%
<b>Option Five</b>				
Smart Rates - Monthly 11 payments	27/8/2021 to 03/06/2022		3.00%	6.00%

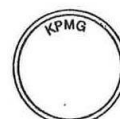
	<b>2022</b> <b>Actual</b> \$	<b>2022</b> <b>Revised</b> <b>Budget</b> \$	<b>2021</b> <b>Actual</b> \$
Interest on unpaid rates	229,381	150,000	(550)
Interest on unpaid ESL Levy	28,208	35,000	(57)
Interest on instalment plan	474,363	475,000	0
Charges on instalment plan	206,204	206,500	35
	<b>938,156</b>	<b>866,500</b>	<b>(572)</b>



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**28. RATE SETTING STATEMENT INFORMATION**

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(b)	(1,744,761)	(280,924)
Less: Movement in liabilities associated with restricted cash		(4,360,208)	0
Less: Fair value adjustments to financial assets at fair value through profit and loss		(7,993)	0
Less: Share of net profit of associates and joint ventures accounted for using the equity method		0	(5,172)
Add: Loss on disposal of assets	10(b)	17,753	0
Add: Loss on revaluation of fixed assets	9(a)	0	36,683
Add: Depreciation	10(a)	35,104,328	0
Non-cash movements in non-current assets and liabilities:		36,429,117	38,568,691
Pensioner deferred rates		(13,137)	0
Employee benefit provisions		(19,488)	37,693
Other provisions		4,356,033	0
Contract liabilities		0	(611,188)
Public open space payment		(5,419,364)	0
<b>Non-cash amounts excluded from operating activities</b>		<b>27,913,163</b>	<b>37,595,813</b>
<b>(b) Non-cash amounts excluded from investing activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to investing activities</b>			
Property, plant and equipment received for substantially less than fair value	8(a)	0	46,045
Infrastructure received for substantially less than fair value	9(a)	7,998,299	0
Non cash non-operating grants, subsidies and contributions		(7,998,299)	0
<b>(c) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	30	(181,064,488)	(173,460,700)
- Bonds and deposits		(1,535,484)	(5,735,446)
Add: Current liabilities not expected to be cleared at end of year			(171,410,638)
- Current portion of borrowings	15	3,934,065	0
- Financial assets - restricted - non current		101,900,141	4,020,624
- Current portion of lease liabilities	11(b)	114,651	941,519
<b>Total adjustments to net current assets</b>		<b>(76,651,115)</b>	<b>272,015</b>
<b>Net current assets used in the Rate Setting Statement</b>		<b>(177,982,612)</b>	<b>218,182</b>
Total current assets		126,287,104	204,527,098
Less: Total current liabilities		(37,708,224)	214,314,367
Less: Total adjustments to net current assets		(76,651,115)	(37,485,311)
<b>Net current assets used in the Rate Setting Statement</b>		<b>11,927,765</b>	<b>160,116</b>
		<b>160,116</b>	<b>8,588,183</b>



**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**29. BORROWING AND LEASE LIABILITIES**

(a) Borrowings

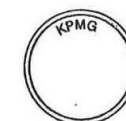
Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Portion of SMRC borrowings for RRRC waste recycling project repayable by the City		4,398,510	0	(1,469,288)	2,929,222	0	(1,531,840)	1,397,382	2,936,284	0	(1,520,624)	1,415,660
To assist fund the Cockburn ARC recreation facility		15,000,000	0	(2,500,000)	12,500,000	0	(2,500,000)	10,000,000	12,500,000	0	(2,500,000)	10,000,000
<b>Total</b>		19,398,510	0	(3,969,288)	15,429,222	0	(4,031,840)	11,397,382	15,436,284	0	(4,020,624)	11,415,660
<b>Total Borrowings</b>	15	19,398,510	0	(3,969,288)	15,429,222	0	(4,031,840)	11,397,382	15,436,284	0	(4,020,624)	11,415,660

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

**Borrowing Interest Repayments**

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Portion of SMRC borrowings for RRRC waste recycling project repayable by the City		Community amenities	N/A	WATC	various	(102,680)	(105,000)	(162,821)
To assist fund the Cockburn ARC recreation facility		Recreation and culture	8	WATC	2.96%	(434,493)	(434,500)	(526,017)
<b>Total</b>						(537,173)	(539,500)	(688,838)
<b>Total Interest Repayments</b>	2(b)					(537,173)	(539,500)	(688,838)

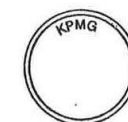


(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cisco Network Switches Unified		107,969	0	(38,751)	69,218	0	(39,332)	29,886	69,128	0	0	69,128
Unified Communications System		74,605	0	(42,399)	32,206	0	(32,206)	0	32,162	0	0	32,162
Rack Mount Servers (5)		9,993	0	(9,993)	0	0	0	0	0	0	0	0
VDI Servers (6)		21,491	0	(21,491)	0	0	0	0	0	0	0	0
SAN Equipment (2)		52,003	0	(52,003)	0	0	0	0	(54)	0	0	(54)
Pure Storage Shelf x 2		38,827	0	(38,827)	0	0	0	0	54	0	0	54
Wifi Equipment		13,479	0	(13,479)	0	0	0	0	0	0	0	0
Firewall Equipment		4,137	0	(4,137)	0	0	0	0	0	0	0	0
LAN Equipment		18,650	0	(18,650)	0	0	0	0	0	0	0	0
LAN Equipment		7,047	0	(7,047)	0	0	0	0	0	0	0	0
Multi Functional devices (MFD's) 47		76,553	0	(25,139)	51,414	0	(26,424)	24,990	55,630	0	0	55,630
Multi Functional Devices (MFD's) - 47		2,823	0	(927)	1,896	0	(941)	955	1,891	0	0	1,891
Multi Functional Devices (MFD's) - 1		4,085	0	(1,342)	2,743	0	(1,361)	1,382	2,740	0	0	2,740
Hyundai I30		6,290	0	(3,956)	2,334	0	(2,334)	0	2,666	0	0	2,666
Multi Functional Devices (MFD's) - 47		21,161	0	(6,949)	14,212	0	(11,064)	3,149	14,200	0	0	14,200
Ford Ranger Vehicle		7,093	0	(7,093)	0	0	0	0	(70)	0	0	(70)
Multi Functional Devices (MFD's) - 47		4,832	0	(1,587)	3,245	0	(1,610)	1,635	3,239	0	0	3,239
Health Club Equipment - Pin Loaded		34,869	0	(19,817)	15,052	0	(15,052)	0	15,032	0	0	15,032
Multi Functional Devices (MFD's) - 47		39,082	0	(12,834)	26,248	0	(9,194)	17,054	26,212	0	0	26,212
ALC Baltic Laminator		4,306	(1,689)	(2,617)	0	0	0	0	1,736	0	0	1,736
Shark Barrier		211,181	(16,992)	(78,835)	115,354	0	(79,753)	35,601	132,634	0	0	132,634
Signage Printer & Cutter		5,547	0	(5,547)	0	0	0	0	0	0	0	0
<b>Total Lease Liabilities</b>	11(b)	<b>766,023</b>	<b>(18,681)</b>	<b>(413,420)</b>	<b>333,922</b>	<b>0</b>	<b>(219,271)</b>	<b>114,652</b>	<b>357,200</b>	<b>0</b>	<b>0</b>	<b>357,200</b>

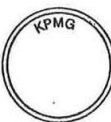
Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
Cisco Network Switches Unified		Governance	E6N0162330	Maia Financial PL	1.49%	(763)	0	(1,345)	45Months
Unified Communications System		Governance	E6N0160636	Maia Financial PL	1.45%	(195)	0	(802)	33 Months
Rack Mount Servers (5)		Governance	E6N0159693	Maia Financial PL	1.40%	0	0	(41)	18 Months
VDI Servers (6)		Governance	E6N0159752	Maia Financial PL	1.40%	0	0	(88)	18 Months
SAN Equipment (2)		Governance	E6N0160532	Maia Financial PL	1.40%	0	0	(213)	18 Months
Pure Storage Shelf x 2		Governance	E6N0162620	Maia Financial PL	1.40%	0	0	(158)	18 Months
Wifi Equipment		Governance	E6N0159943	Maia Financial PL	1.40%	0	0	(79)	21 Months
Firewall Equipment		Governance	E6N0159959	Maia Financial PL	1.40%	0	0	(24)	21 Months





Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
LAN Equipment		Governance	E6N0159960	Maia Financial PL	1.40%	0	0	(109)	21 Months
LAN Equipment		Governance	E6N0160277	Maia Financial PL	1.40%	0	0	(16)	15 Months
Multi Functional devices (MFD's) 47		Governance	E6N016202	Maia Financial PL	1.49%	(804)	0	(969)	48 Months
Multi Functional Devices (MFD's) - 47		Law, order, public safety	E6N016202	Maia Financial PL	1.49%	0	0	(36)	48 Months
Multi Functional Devices (MFD's) - 1		Education and welfare	E6N0162166	Maia Financial PL	1.49%	(32)	0	(52)	48 Months
Hyundai I30		Education and welfare	6,244,197	Easifleet Management	1.45%	(11)	0	(65)	31 Months
Multi Functional Devices (MFD's) - 47		Education and welfare	E6N016202	Maia Financial PL	1.49%	(245)	0	(268)	48 Months
Ford Ranger Vehicle		Community amenities		Easifleet Management	1.40%	0	0	(41)	21 Months
Multi Functional Devices (MFD's) - 47		Community amenities	E6N016202	Maia Financial PL	1.49%	(22)	0	(61)	48 Months
Health Club Equipment - Pin Loaded		Recreation and culture	E6N0159778	Maia Financial PL	1.45%	(91)	0	(374)	33 Months
Multi Functional Devices (MFD's) - 47		Recreation and culture	E6N016202	Maia Financial PL	1.49%	(55)	0	(477)	48 Months
ALC Baltic Laminator		Other property and services	E6N0162078	Maia Financial PL	1.43%	0	0	(9)	27 Months
Shark Barrier		Other property and services		Eco Shark Barrier	1.47%	(1,160)	(2,841)	(2,071)	41 Months
Signage Printer & Cutter		Other property and services	E6N0160864	Maia Financial PL	1.40%	0	0	(23)	18 Months
	2(b)					(3,378)	(2,841)	(7,321)	

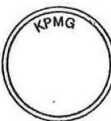


**CITY OF COCKBURN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**30. RESERVE ACCOUNTS**

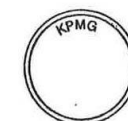
	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Opening	Transfer to	Transfer (from)	Closing	
	Balance			Balance	Balance			Balance			Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Restricted by legislation/agreement</b>												
(a) Staff Payments & Entitlements	1,593,128	0	(831,092)	762,036	1,593,128	0	(40,000)	1,553,128	1,633,128	0	(40,000)	1,593,128
(b) Plant & Vehicle Replacement	11,869,994	2,256,686	(1,936,320)	12,190,360	11,632,212	2,000,000	(3,642,400)	9,989,812	11,400,754	3,117,086	(2,647,846)	11,869,994
(c) Information Technology	926,599	1,000,000	(251,897)	1,674,702	1,017,034	1,000,000	0	2,017,034	501,249	1,200,000	(774,650)	926,599
(d) Major Building Refurbishment	17,341,289	1,500,000	(727,734)	18,113,555	18,288,412	1,500,000	0	19,788,412	16,677,163	3,000,000	(2,335,874)	17,341,289
(e) Waste & Recycling	12,523,659	3,841,934	(139,263)	16,226,330	9,767,308	1,500,000	(560,000)	10,707,308	12,200,267	1,964,254	(1,640,862)	12,523,659
(f) Land Development and Investment Fund	12,863,720	2,696,660	(7,387,208)	8,173,172	13,175,218	268,114	(860,000)	12,583,332	11,002,645	2,211,775	(350,700)	12,863,720
(g) Roads & Drainage Infrastructure	12,203,545	3,789,864	(4,246,392)	11,747,017	11,498,609	3,000,000	(2,977,896)	11,520,713	10,442,059	4,638,533	(2,877,047)	12,203,545
(h) Naval Base Shacks	1,242,899	18,287	0	1,261,186	1,179,926	18,287	0	1,198,213	1,161,639	81,260	0	1,242,899
(i) Community Infrastructure	21,757,381	13,556,124	(3,611,282)	31,702,223	18,788,867	12,027,695	(522,982)	30,293,580	27,777,436	3,500,000	(9,520,055)	21,757,381
(j) Insurance	2,672,674	0	(281,471)	2,391,203	2,659,263	300,000	0	2,959,263	2,235,907	500,000	(63,233)	2,672,674
(k) Greenhouse Action Fund	708,938	200,000	0	908,938	889,034	200,000	0	1,089,034	741,641	200,000	(232,703)	708,938
(l) Aged and Disabled Asset Replacement	422,872	78,121	(35,159)	465,834	417,500	80,853	0	498,353	391,623	40,711	(9,462)	422,872
(m) Welfare Projects Employee Entitlements	1,850,773	1,800	(799,115)	1,053,458	2,290,271	675,716	0	2,965,987	1,611,878	903,894	(664,999)	1,850,773
(n) HWRP Post Closure Management & Contaminated Sites	2,915,674	500,000	(29,905)	3,385,769	3,439,276	500,000	(70,000)	3,869,276	3,501,513	250,000	(835,839)	2,915,674
(o) Municipal Elections	151,420	150,000	(150,000)	151,420	151,420	150,000	(150,000)	151,420	1,420	150,000	0	151,420
(p) Port Coogee Special Maintenance - SAR	1,980,900	386,476	(326,398)	2,040,979	1,651,371	382,245	(383,473)	1,650,143	1,820,480	374,034	(213,614)	1,980,900
(q) Port Coogee Waterways - SAR	146,257	98,508	(50,000)	194,765	102,931	96,291	(50,000)	149,222	102,267	93,989	(50,000)	146,256
(r) Community Surveillance	932,870	200,000	(145,000)	987,870	954,480	200,000	(365,000)	789,480	864,697	200,000	(131,827)	932,870
(s) Waste Collection	6,512,856	1,800,000	0	8,312,856	6,173,528	1,073,123	0	7,246,651	4,199,528	2,339,328	(26,000)	6,512,856
(t) Family Day Care Accumulation Fund	11,560	40	0	11,600	11,549	0	0	11,549	11,475	85	0	11,560
(u) Community Infrastructure (DCA 13)	6,832,991	1,385,122	(7,434,531)	783,582	5,612,666	3,017,282	(3,137,613)	5,492,335	4,782,645	5,125,095	(3,074,748)	6,832,991
(v) Naval Base Shack Removal	792,815	33,315	0	826,130	687,220	38,475	0	725,695	652,448	140,367	0	792,815
(w) Environmental Offset	248,759	0	0	248,759	308,011	0	0	308,011	308,011	0	(59,252)	248,759
(x) Bibra Lake Management Plan	192,968	0	(177,701)	15,267	353,125	0	0	353,125	521,086	0	(328,118)	192,968
(y) Restricted Grants & Contributions	5,174,134	4,576,396	(4,361,922)	5,388,608	1,017,085	0	(18,182)	998,903	5,786,772	2,805,355	(3,417,993)	5,174,134
(z) CIHCF Building Maintenance	10,688,137	1,044,840	(26,231)	11,706,747	10,401,720	720,779	(300,000)	10,822,499	9,327,472	1,360,665	0	10,688,137
({) Cockburn ARC Building Maintenance	5,218,365	1,500,000	(43,317)	6,675,048	5,218,365	1,500,000	0	6,718,365	3,718,365	1,500,000	0	5,218,365
( ) Carry Forward Projects	11,867,222	8,523,422	(8,068,476)	12,322,168	10,782,677	0	(4,567,567)	6,215,110	2,850,851	17,918,715	(8,902,343)	11,867,223
(}) Port Coogee Marina Assets Replacement	1,784,887	300,000	0	2,084,887	1,484,887	300,000	(174,000)	1,610,887	1,484,887	300,000	0	1,784,887
(~) Port Coogee Waterways - WEMP	1,246,537	4,270	(175,623)	1,075,185	1,310,536	15,831	(200,000)	1,126,367	1,302,071	9,711	(65,245)	1,246,537
(_) Cockburn Coast SAR	50,644	45,151	(10,389)	85,406	15,007	35,465	(11,429)	39,043	25,209	35,753	(10,318)	50,644
(€) Developer Contribution Plans	11,226,093	2,240,245	(551,045)	12,915,294	10,753,580	1,972,167	(224,767)	12,500,980	10,744,509	2,365,468	(1,883,884)	11,226,093
(£) POS Reserve	5,458,078	190,389	(466,332)	5,182,134	5,517,470	0	0	5,517,470	0	5,784,328	(326,251)	5,458,077
	171,410,638	51,917,651	(42,263,801)	181,064,488	159,143,686	32,572,323	(18,255,309)	173,460,700	149,783,095	62,110,406	(40,482,863)	171,410,638

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.



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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Staff Payments & Entitlements	ongoing	This Reserve provides for payment of various staff entitlements including separation, bonus, awards and other payments made to Staff either through contractual or statutory entitlement, other than leave liabilities already provided for within the City's net asset position.
(b) Plant & Vehicle Replacement	ongoing	This Reserve provides for the orderly replacement of plant and vehicles. Annual transfers into this Reserve are based on the estimated depreciation charge for plant each year.
(c) Information Technology	ongoing	Funds are drawn as required to meet annual plant replacement costs. This Reserve is used to provide for the capital cost of upgrading/replacement of Council's computer hardware and software.
(d) Major Building Refurbishment	ongoing	This Reserve provides funding for future major refurbishment of Council buildings as they become necessary. Annual transfers are usually made to this Reserve from any end of year surplus.
(e) Waste & Recycling	majority by 2040	This Reserve provides funding for capital costs associated with the development and management of a waste disposal site. Transfers to this Reserve are made based on planned future capital funding requirements for waste management.
(f) Land Development and Investment Fund	ongoing	This Reserve is to accommodate and facilitate the purchase, development and disposal of land under the Council's land development strategies with the ability to loan funds on an interest payable basis to other reserve accounts of the City.
(g) Roads & Drainage Infrastructure	ongoing	The purpose of this Reserve is to provide for the renewal and refurbishment of roads and drainage infrastructure and for the provision of matching funds for Federal & State Government road grants.
(h) Naval Base Shacks	ongoing	This Reserve provides funds for the development & refurbishment of the Naval Base shacks site. It will also fund rehabilitation costs when the Park reverts back to the State Government. Annual transfers to this Reserve are fully funded by part of the lease income derived from the shacks.
(i) Community Infrastructure	ongoing	This Reserve funds the provision of community and recreation facilities within the City as the need arises. The requirement for these facilities over the next five to ten years is significant due to the rapid rate of development within the city and the associated population growth.
(j) Insurance	ongoing	This Reserve is used to minimise and smooth annual budgetary impacts from the City's performance based insurance schemes, including deductibility levels.
(k) Greenhouse Action Fund	ongoing	This Reserve will be used to purchase carbon offsets and fund projects to support energy efficiency, waste management and renewable energy installations.
(l) Aged and Disabled Asset Replacement	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(m) Welfare Projects Employee Entitlements	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(n) HWRP Post Closure Management & Contaminated Sites	ongoing	This Reserve is required to cover any costs associated with clean-up & remediation works at contaminated sites within the district as enforced by the Contaminated Sites Act.
(o) Municipal Elections	ongoing	This Reserve provides funding to cover election expenses during election years to smooth out annual budgetary impacts.
(p) Port Coogee Special Maintenance - SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development. These funds are required for the specialised maintenance requirements of the development.
(q) Port Coogee Waterways - SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) for the Port Coogee development on land directly adjacent to the waterways. These funds are required for the maintenance of the waterways surrounding Port Coogee marina and associated infrastructure.
(r) Community Surveillance	ongoing	This Reserve funds activities in relation to Community Surveillance.
(s) Waste Collection	ongoing	This reserve provides funding for future capital requirements related to the Waste Collection service.
(t) Family Day Care Accumulation Fund	ongoing	This Reserve is fully funded from the operating government grants received by the services and has no budgetary impact on Municipal funds.
(u) Community Infrastructure (DCA 13)	ongoing	This reserve is used to account for funds generated from the Community Infrastructure Development Contributions Scheme (DCP13) established under the City's Town Planning Scheme No. 3. Established for the purposes of the future removal of leasehold dwellings at Reserve 24308, Naval Base. All funds raised are to be accounted for on a property lease by lease basis, and not on who paid the actual payment at the time of the payment. Funds raised will be reimbursed to leaseholders when dwelling is removed and the site rehabilitated to its prior state.
(v) Naval Base Shack Removal	uncertain	
(w) Environmental Offset	ongoing	This Reserve is used to manage funds required to undertake environmental rehabilitation of land associated with road construction as approved by the relevant government agency.
(x) Bibra Lake Management Plan	ongoing	This Reserve is used to manage funding to implement the Bibra Lake Management Plan as adopted by Council.
(y) Restricted Grants & Contributions	ongoing	This Reserve is used to quarantine monies received for restricted purposes across financial years.
(z) CIHCF Building Maintenance	ongoing	This Reserve is used to manage funding for major building maintenance of the Cockburn Integrated Health and Community Facility (CIHCF).
({) Cockburn ARC Building Maintenance	ongoing	This Reserve is used to manage funding for the major building maintenance of the Cockburn ARC recreation facility.
(l) Carry Forward Projects	ongoing	This reserve is used to manage municipal funding for incomplete projects carried forward to the following financial year.
(j) Port Coogee Marina Assets Replacement	ongoing	This Reserve provides for the replacement of marina infrastructure assets. Funding is provided from pen fees to reflect estimated depreciation costs.
(~) Port Coogee Waterways - WEMP	ongoing	This Reserve is used to manage the funds paid by the developer of the Port Coogee marina development in accordance with the Waterways Environmental Management Plan (WEMP). The funds will be used to maintain and manage the marina waterways.
(i) Cockburn Coast SAR	ongoing	This Reserve is used to manage funds raised through the specified area rate (SAR) providing funding to ensure that the parks and public areas (including custom street lighting) within the Cockburn Coast Development are maintained in accordance with the higher standards agreed to between the City and the Developer.
(€) Developer Contribution Plans	ongoing	This Reserve is used for the management of contributions and costs with respect to Development Contribution Areas as established by and in accordance with Town Planning Scheme 3.
(j) POS Reserve	ongoing	This Reserve is used to manage Public Open Space payments received from developers.





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 This information is available in alternative formats upon request.

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