



The Council of the City of Cockburn

Audit Risk and Compliance Committee **Amended Agenda¹²**

6pm, Tuesday, 3 December 2024

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Item 11.1.1 Financial Report & Audit Results for Year Ending 30 June 2024 Attachment 1, P12-14
(Agenda pages 25, 26, 27)

Item 11.3.3 Review and Adoption – Risk Appetite, Risk Matrix & Strategic Risk – Updated wording,
Item ` (Agenda page 89)

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Item 11.3.3 Review and Adoption – Risk Appetite, Risk Matrix & Strategic Risk – Attachment 4, P3
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**Audit Risk and Compliance Committee Meeting
6pm, Tuesday, 3 December 2024**

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Audit Risk and Compliance Committee
Tuesday, 3 December 2024 at 6:00pm

Agenda

Committee Membership

Cr P Corke (Presiding Member)
Mayor L Howlett
Deputy Mayor C Stone
Cr K Allen
Cr C Reeve-Fowkes
Cr M Separovich
Independent Member W Gately
Independent Member A Kandie

1. Declaration Of Meeting

“Kaya, Wanju Wadjuk Boodja” which means “Hello, Welcome to Wadjuk Land”.

The Presiding Member will acknowledge the Wadjuk Peoples of the Nyungar Nation who are the traditional custodians of the land on which the meeting will be held, and pay respect to their Elders both past and present, and extend that respect to First Nations Peoples present.

2. Appointment of Presiding Member (when required)

N/A

3. Disclaimer

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position.

Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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

5. Apologies and Leave of Absence

6. Public Question Time

7. Confirmation of Minutes

7.1 Minutes of the Audit Risk and Compliance Meeting - 17/9/2024

Recommendation

The Committee confirms the Minutes of the Audit Risk and Compliance Meeting held on Tuesday, 17 September 2024 as a true and accurate record.

8. Deputations

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

Nil

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

11 Reports - CEO (and Delegates)

11.1 Corporate and System Services

11.1.1 Financial Report and Audit Results for City of Cockburn Year Ending 30 June 2024

Responsible Executive	Director Corporate and System Services
Author(s)	Head of Finance
Attachments	<ol style="list-style-type: none"> 2024 Annual Financial Report Report to the Audit Risk and Compliance Committee (Confidential) Final Management Letter (Confidential) Draft Audit Opinion for the Year Ended 30 June 2024 (still to be provided) (Confidential)

RECOMMENDATION

The Committee recommends Council:

- (1) ADOPTS the Annual Financial Report for the year ended 30 June 2024, as amended and approved by the Auditor;
- (2) RECEIVES the Auditor's Report for the year ended 30 June 2024;
- (3) RECEIVES the draft Audit Opinion for the year ended 30 June 2024, as issued by the Office of the Auditor General; and
- (4) RECEIVES the Management Letter for the year ended 30 June 2024, as attached to the Agenda.

Background

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

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

Regulation 9 (3) of the *Local Government (Audit) Regulations 1996* states that the principal objective of the external audit is for the auditor to carry out such work as is necessary to form an opinion as to whether: the accounts are properly kept; and that the Annual Financial Report:

- is prepared in accordance with financial records
- represents fairly the results of the operations of the Local Government at 30 June in accordance with Australian Accounting Standards and the *Local Government Act 1995*.

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

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

The Terms of Reference for the Audit, Risk & Compliance Committee (ARC) requires it to examine the City's audited annual financial report and follow up any matters raised by audit to ensure appropriate action is taken in respect of those matters.

The Office of the Auditor General (OAG) has contracted out the performance of the City's audit, with KPMG having completed the City's audits since 2019.

The audit plan for 2024 was presented at the 16 July meeting of this Committee, and the Auditor's Report has been prepared on that basis.

Key aspects of the audit included assessing the effectiveness of management internal controls, and the appropriateness of the City's accounting policies, disclosures, and accounting estimates.

This audit work enables the OAG to express an opinion regarding the City's 2024 financial statements. The auditor is attending the meeting to present their audit report and discuss any issues raised in the report.

Submission

N/A

Report

2024 Annual Financial Report

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

Statement of Comprehensive Income

The City's net result (before other comprehensive income) was \$24.57 million, \$14.87 million lower than the year before. This was primarily due to a fall in the City's net operating result by \$5.82 million to an operating deficit of \$0.64 million.

There was no other comprehensive income recognised this year, usually generated from asset revaluations, compared to \$183.64 million the previous year.

Operating revenue of \$199.60 million was up \$17.33 million (+9.5%) on last year.

The main contributors to this result were:

- Rates revenue was up \$8.07 million (+6.8%) to \$126.69 million, inclusive of the annual rates increase ranging from 4.5% to 5.5% and revenue growth from an increase in rateable properties
- Fees & charges revenue was up \$4.04 million (+10.0%) to \$44.15 million primarily due to increased revenue from the Cockburn ARC (+\$0.95m), Port Coogee Marina (+\$0.45m), parking and animal related infringements (+\$0.46m), and lease and other land revenue (+\$1.82m)
- Interest revenue increased by \$5.64 million (+81.9%) to \$12.52 million due to stronger returns on the City's term deposits portfolio, driven by rising interest rates.

Operating expenditure for the year of \$200.24 million was up \$23.15 million (+13.1%) on the previous year.

The main contributors were:

- Employee costs, the City's biggest operational expense, rose by \$9.71 million (+14.3%) to \$77.45 million. This reflected annual salary increases (including the enterprise agreement), growth in the City's workforce, and an additional 0.5% for compulsory superannuation contributions
- Materials and contract costs increased by \$6.53 million (+15.4%) to \$48.99 million, representing contract price increases and growth in services across parks and streetscapes
- Combined Depreciation & Amortisation expenses (non-cash) of \$49.19 million grew by a net \$7.56 million (+18.1%) on the previous year:
 - Depreciation on fixed assets of \$42.05 million was higher by \$3.44 million (+8.92%) on last year, driven by asset revaluations completed at 30 June 2023.
 - Amortisation of landfill related assets increased by \$4.11 million (to \$7.13 million), reflecting a shift forward in the capping requirements for cell 7 from 2030 to 2026.

Non-operating grants, subsidies, and contributions of \$25.33 million were down \$8.50 million (-25.1%) from last year, comprising:

- Funding from capital grants and subsidies was lower by \$9.89 million (total \$1.97 million received).
- Developer contributions received were lower by \$2.13 million (\$6.11 million in total)
- Gifted development assets of \$19.19 million were \$3.53 million higher on last year.

A net loss on asset disposals of \$1.74 million was recognised during the year, reflecting several old legacy building assets written off.

Statement of Financial Position

The City's net assets and total equity increased year on year by \$24.57 million to \$1,826.46 million (+1.4%).

This reflects total assets of \$1,916.90 million (+\$20.75 million) and total liabilities of \$90.44 million (-\$3.82 million).

Current assets decreased year on year by \$21.69 million to \$191.31 million, primarily due to an increase in term deposit placements for periods greater than one year (non-current assets).

The increase in non-current assets of \$42.44 million to \$1,725.59 million was mainly attributable to an increase of \$39.44 million in non-current term deposits held (to \$77.78 million).

Current liabilities of \$34.40 million were up slightly on last year by \$1.27 million (+3.8%):

- Trade and other payables were down by \$1.69 million (-13.5%) mainly through lower sundry creditors
- Contract liabilities associated with capital grants and contributions were up \$2.30 million on last year to \$3.51 million
- Current borrowings were unchanged at \$2.50 million for the Cockburn ARC facility loan.

Non-current liabilities reduced \$5.08 million from last year to \$56.04 million:

- Other liabilities reduced \$3.02 million to \$12.39 million, representing lower unspent development contributions
- Non-current borrowings reduced to \$2.50 million, reflecting no new borrowings made this year and the ongoing repayment of outstanding debt on the Cockburn ARC facility loan (two years remaining).

Changes in Equity

The City's retained surplus increased by \$18.75 million over the year to \$627.67 million.

This comprised the net result of \$24.57 million less net transfers to financial reserves of \$5.82 million.

Financial reserves increased year on year from \$209.58 million to \$215.39 million, with a total \$46.98 million transferred into reserves, less drawdowns of \$41.16 million to fund budgeted capital and operating items.

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

Total equity for the City is \$1,826.46 million (+\$24.57 million).

Statement of Cash Flows

The City's net cash inflows from operating activities of \$46.06 million were \$5.21 million higher than last year, due to an increase in receipts of \$22.75 million, less an increase in payments of \$17.55 million.

Net cash outflows for investing activities of \$43.98 million were on par with the year before (\$43.93 million):

- Net cash outflows for property, plant and equipment (PPE) and infrastructure assets reduced by \$4.56 million
- Net cash outflows for financial assets (term deposits) reduced by \$13.21 million
- Net cash inflows from non-operating grants and contributions reduced by \$16.76 million
- Cash inflows from proceeds from sale of assets reduced by \$1.07 million.

Net cash outflows from financing activities of \$2.68 million included the repayment of \$2.50 million on the Cockburn ARC loan.

Cash and cash equivalents reduced by \$0.60 million to \$12.99 million during the reporting year. This represents funds held in bank and cash management accounts at 30 June 2024.

Statement of Financial Activity

This statement provides the most insightful and complete view of the City's financial performance for 2024 and it reports the closing municipal budget surplus (or deficit).

The City's closing surplus on 30 June 2024 was \$19.69 million, up from \$9.79 million compared to last year's result.

This result includes \$5.91 million in municipal funding required for carried forward projects and the \$1.00 million surplus estimate factored into the FY25 annual budget.

The excess \$12.78 million is proposed to be transferred to various financial reserves in accordance with Council's Corporate Strategic Planning & Budget Policy, as reported to the Expenditure Review Committee meeting held on 19 November 2024.

A unique aspect of the statement of financial activity is the reporting of expenditure on capital works and projects. This totalled \$53.51 million, down slightly on last year's \$54.54 million. These include spending on infrastructure, property, plant, and equipment, together with the fair value recognised for gifted development assets.

Auditor's Report to the Committee & Management Letter

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

Attached to the agenda is the auditor's report to the Audit Risk & Compliance Committee, prepared by KPMG. This is a confidential attachment at the request of KPMG.

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

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

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

Management has agreed with and already actioned the audit recommendations for those two minor findings.

Draft Audit Opinion (OAG)

The OAG has issued a draft Independent Auditor's Report showing a clear (unqualified) audit opinion on the City's 2024 financial report (fourth year in a row).

A clear audit opinion indicates satisfactory financial controls and that the financial report is based on proper accounts, presented fairly, complies with relevant legislation and applicable accounting standards, and fairly represents performance during the year and the financial position at year end.

The independent auditor's report will be signed off and issued by the OAG following this meeting and after receipt of the signed statement by the CEO for the financial report.

The draft independent auditor's report is also attached to the agenda as a confidential item at the request of the OAG.

Strategic Plans/Policy ImplicationsListening & Leading

A community focused, sustainable, accountable and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

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

Legal Implications

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

Community Consultation

N/A

Risk Management Implications

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

Advice to Proponent(s)/Submitters

N/A

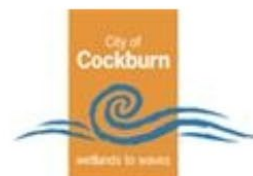
Implications of Section 3.18(3) *Local Government Act 1995*

Nil

City of Cockburn

FINANCIAL REPORT
for the year ended 30 June 2024

The best place to be.



City of Cockburn

Financial Report 2024

Financial Report

for the year ended 30 June 2024

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Content Overview

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 2024

Financial Report
for the year ended 30 June 2024

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

Statement by Chief Executive Officer

The accompanying financial report of the City of Cockburn has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024

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

Signed on the day of 2024

Chief Executive Officer

Daniel Simms

City of Cockburn

Financial Report 2024

Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	25,2a	126,686,660	125,755,000	118,612,440
Grants, subsidies and contributions	2a	15,145,589	15,844,563	16,662,701
Fees and charges	2a	44,147,051	38,827,375	40,111,409
Service charges	2a	1,099,718	500,000	–
Interest revenue	2a	12,523,953	8,530,280	6,885,421
		<u>199,602,971</u>	<u>189,457,218</u>	<u>182,271,971</u>
Expenses				
Employee costs	2b	(77,448,367)	(78,353,050)	(67,734,209)
Materials and contracts	2b	(48,992,784)	(53,534,119)	(42,462,847)
Utility charges	2b	(6,215,523)	(6,318,958)	(6,119,968)
Depreciation	10a	(49,187,641)	(42,037,630)	(41,632,262)
Finance costs	2b	(1,525,396)	(400,883)	(1,553,169)
Insurance	2b	(2,722,823)	(2,197,970)	(3,483,761)
Other expenditure	2b	(14,151,411)	(11,404,389)	(14,104,349)
		<u>(200,243,945)</u>	<u>(194,246,999)</u>	<u>(177,090,565)</u>
Operating result from continuing operations		<u>(640,974)</u>	<u>(4,789,781)</u>	<u>5,181,406</u>
Capital grants, subsidies and contributions	2a	25,328,715	8,525,098	33,832,352
Profit on asset disposals	10c	124,912	142,580	458,884
Loss on asset disposals	10c	(1,744,029)	–	–
Fair value adjustments to financial assets at fair value through profit or loss	2c	3,363	7,372	7,372
Distributions from former investment in associate		1,494,920	–	–
Adjustment to borrowings	2c	–	–	(38,023)
		<u>25,207,881</u>	<u>8,675,050</u>	<u>34,260,585</u>
Net result for the period	24b	<u>24,566,907</u>	<u>3,885,269</u>	<u>39,441,991</u>
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	–	–	183,638,397
Total other comprehensive income for the period	17	<u>–</u>	<u>–</u>	<u>183,638,397</u>
Total comprehensive income for the period		<u>24,566,907</u>	<u>3,885,269</u>	<u>223,080,388</u>

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

City of Cockburn

Financial Report 2024

Statement of Financial Position

as at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	12,990,274	13,592,531
Trade and other receivables	5	17,930,653	10,746,609
Other financial assets	4a	157,000,000	183,000,000
Inventories	6	34,392	27,313
Other assets	7a	3,359,234	5,639,702
Total current assets		191,314,553	213,006,155
Non-current assets			
Trade and other receivables	5	1,422,960	1,362,704
Other financial assets	4b	77,951,928	38,512,037
Property, plant and equipment	8	392,217,272	385,563,117
Infrastructure	9	1,252,805,531	1,257,205,920
Right of use assets	11a	1,190,613	503,232
Total non-current assets		1,725,588,304	1,683,147,010
Total assets		1,916,902,857	1,896,153,165
Liabilities			
Current liabilities			
Trade and other payables	12	18,323,045	20,009,067
Other liabilities	13	3,512,697	1,211,130
Lease liabilities	11b	179,976	100,625
Borrowings	14	2,500,000	2,500,000
Employee related provisions	15	9,886,824	9,313,188
Total current liabilities		34,402,542	33,134,010
Non-current liabilities			
Trade and other payables	12	2,192,268	1,356,582
Other liabilities	13	12,387,362	15,407,476
Lease liabilities	11b	1,035,261	405,458
Borrowings	14	2,500,000	5,000,000
Employee related provisions	15	1,816,599	1,598,227
Other provisions	16	36,109,614	37,359,107
Total non-current liabilities		56,041,104	61,126,850
Total liabilities		90,443,646	94,260,860
Net assets		1,826,459,211	1,801,892,305
Equity			
Retained surplus		627,671,912	608,923,235
Reserve accounts	28	215,393,944	209,575,714
Revaluation surplus	17	983,393,355	983,393,355
Total equity		1,826,459,211	1,801,892,305

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

City of Cockburn

Financial Report 2024

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Retained Surplus \$	Reserve Accounts \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2022		597,992,472	181,064,488	799,754,957	1,578,811,917
Comprehensive income for the period					
Net result for the period		39,441,991	–	–	39,441,991
Other comprehensive income for the period					
Increase in asset revaluation surplus	17	–	–	183,638,397	183,638,397
Other comprehensive income for the period		–	–	183,638,397	183,638,397
Total comprehensive income for the period		39,441,991	–	183,638,397	223,080,388
Transfers from reserve accounts	28	24,202,020	(24,202,020)	–	–
Transfers to reserve accounts	28	(52,713,248)	52,713,248	–	–
Balance as at 30 June 2023		608,923,235	209,575,716	983,393,355	1,801,892,305
Balance as at 1 July 2023		608,923,235	209,575,716	983,393,355	1,801,892,305
Comprehensive income for the period					
Net result for the period		24,566,907	–	–	24,566,907
Total comprehensive income for the period		24,566,907	–	–	24,566,907
Transfers from reserve accounts	28	41,162,701	(41,162,701)	–	–
Transfers to reserve accounts	28	(46,980,931)	46,980,931	–	–
Balance as at 30 June 2024		627,671,912	215,393,944	983,393,355	1,826,459,211

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

City of Cockburn

Financial Report 2024

Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Cash flows from operating activities				
Receipts				
Rates		126,519,825	125,755,000	118,912,965
Grants, subsidies and contributions		17,250,996	15,344,563	14,227,446
Fees and charges		44,147,051	38,827,375	40,111,409
Service charges		1,099,718	500,000	–
Interest revenue		12,523,953	8,530,280	6,885,421
Goods and services tax received		2,475,359	500,000	2,620,071
Distributions from investment in associates		1,494,920	–	–
Total receipts		205,511,822	189,457,218	182,757,312
Payments				
Employee costs		(76,656,359)	(78,353,050)	(67,481,493)
Materials and contracts		(51,029,724)	(54,393,536)	(42,098,651)
Utility charges		(6,215,523)	(6,318,958)	(6,119,968)
Finance costs		(1,525,396)	(400,883)	(1,553,169)
Insurance paid		(2,722,823)	(2,197,970)	(3,483,761)
Goods and services tax paid		(9,250,239)	1,000,000	(7,060,437)
Other expenditure		(12,047,336)	(11,404,389)	(14,104,349)
Total payments		(159,447,400)	(152,068,786)	(141,901,828)
Net cash provided by operating activities	18b	46,064,422	37,388,432	40,855,484
Cash flows from investing activities				
Payments				
Payments for financial assets at amortised cost		(13,436,528)	(6,611,951)	(26,648,917)
Payments for purchase of property, plant & equipment	8a	(18,600,931)	(17,501,271)	(9,948,835)
Payments for construction of infrastructure	9a	(15,717,471)	(26,370,617)	(28,933,138)
Receipts				
Capital grants, subsidies and contributions		3,120,034	9,327,282	19,879,068
Proceeds from sale of property, plant & equipment		650,783	1,149,500	1,721,548
Net cash used in investing activities		(43,984,113)	(40,007,057)	(43,930,274)
Cash flows from financing activities				
Payments				
Repayment of borrowings	27a	(2,500,000)	(2,500,000)	(3,972,088)
Payments for principal portion of lease liabilities	27b	(182,566)	–	(138,113)
Receipts				
Net receipts/(refund) of bonds		–	–	–
Net cash used in financing activities		(2,682,566)	(2,500,000)	(4,110,201)
Net decrease in cash held		(602,257)	(5,118,625)	(7,184,991)
Cash at beginning of year		13,592,531	10,300,000	20,777,520
Cash and cash equivalents at the end of the year	18a	12,990,274	5,181,375	13,592,529

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

City of Cockburn

Financial Report 2024

Statement of Financial Activity
for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	126,080,608	125,200,000	117,997,674
Rates excluding general rates	25	606,052	555,000	614,766
Grants, subsidies and contributions		15,145,589	15,844,563	16,662,701
Fees and charges		44,147,051	38,827,375	40,111,409
Service charges		1,099,718	500,000	–
Interest revenue		12,523,953	8,530,280	6,885,421
Profit on asset disposals		124,912	142,580	458,884
Fair value adjustments to financial assets at fair value through profit or loss	4b	3,363	7,372	7,372
Adjustment to borrowings		–	–	(38,023)
		199,731,246	189,607,170	182,700,204
Expenditure from operating activities				
Employee costs		(77,448,367)	(78,353,050)	(67,734,209)
Materials and contracts		(48,992,784)	(53,534,119)	(42,462,847)
Utility charges		(6,215,523)	(6,318,958)	(6,119,968)
Depreciation		(49,187,641)	(42,037,630)	(41,632,262)
Finance costs		(1,525,396)	(400,883)	(1,553,169)
Insurance		(2,722,823)	(2,197,970)	(3,483,761)
Other expenditure		(14,151,411)	(11,404,389)	(14,104,349)
Loss on asset disposals		(1,744,029)	–	–
		(201,987,974)	(194,246,999)	(177,090,565)
Non-cash amounts excluded from operating activities	26	46,691,904	41,887,678	43,963,510
Amount attributable to operating activities		44,435,176	37,247,849	49,573,149
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		25,328,715	8,525,098	33,832,352
Proceeds from disposal of assets		650,783	1,149,500	1,721,548
Distributions from former investments in associates		1,494,920	–	–
		27,474,418	9,674,598	35,553,900
Outflows from investing activities				
Purchase of property, plant and equipment	8a	(18,590,028)	(17,501,271)	(9,948,835)
Purchase and construction of infrastructure	9a	(34,916,939)	(26,370,617)	(44,595,022)
		(53,506,967)	(43,871,888)	(54,543,857)
Non-cash amounts excluded from investing activities	26	–	802,184	–
Amount attributable to investing activities		(26,032,549)	(33,395,106)	(18,989,957)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	41,162,701	23,628,044	24,202,020
		41,162,701	23,628,044	24,202,020
Outflows from financing activities				
Repayment of borrowings	27a	(2,500,000)	(2,500,000)	(3,972,088)
Payments for principal portion of lease liabilities	27b	(182,566)	–	(138,113)
Transfers to reserve accounts	28	(46,980,931)	(26,717,943)	(52,713,249)
		(49,663,497)	(29,217,943)	(56,823,450)
Amount attributable to financing activities		(8,500,796)	(5,589,899)	(32,621,430)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26	9,786,927	2,000,000	11,825,165
Amount attributable to operating activities		44,435,176	37,247,849	49,573,149
Amount attributable to investing activities		(26,032,549)	(33,395,106)	(18,989,957)
Amount attributable to financing activities		(8,500,796)	(5,589,899)	(32,621,430)
Surplus/(deficit) after imposition of general rates	26	19,688,761	262,844	9,786,927

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Notes to the Financial Statements

for the year ended 30 June 2024

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Basis of preparation

The financial report of the City of Cockburn which is a Class 1 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations

Local Government Act 1995 requirements

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

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

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116: *Property, Plant and Equipment*, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the

application of policies and reported amounts of assets and liabilities, income and expenses.

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
 - Expected credit losses on financial assets
 - Estimated useful life of intangible assets
 - Measurement of employee benefits
 - Measurement of provisions

Fair value hierarchy information can be found in Note 22(i).

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.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred]*

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Basis of preparation (continued)

AASB 10 and AASB 128 amendments in AASB 2014-10 apply

- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

This amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Revenue Recognition

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
For the year ended 30 June 2024					
Rates	-	-	126,686,660	-	126,686,660
Grants, subsidies and contributions	2,382,477	-	-	12,763,112	15,145,589
Fees and charges	39,567,427	-	4,579,624	-	44,147,051
Service charges	-	-	1,099,718	-	1,099,718
Interest revenue	-	-	86,811	12,437,142	12,523,953
Capital grants, subsidies and contributions	-	8,088,113	-	17,240,602	25,328,715
Total	41,949,904	8,088,113	132,452,813	42,440,856	224,931,686
For the year ended 30 June 2023					
Rates	-	-	118,612,440	-	118,612,440
Grants, subsidies and contributions	2,435,255	-	-	14,227,446	16,662,701
Fees and charges	36,717,855	-	3,393,554	-	40,111,409
Interest revenue	-	-	231,627	6,653,794	6,885,421
Capital grants, subsidies and contributions	-	18,170,468	-	15,661,884	33,832,352
Total	39,153,110	18,170,468	122,237,621	36,543,124	216,104,323
			2024 Actual \$	2024 Budget \$	2023 Actual \$

Assets and services acquired below fair value

Contributed assets	19,188,565	-	15,661,884
	19,188,565	-	15,661,884

Grants, subsidies and contributions

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2024 Actual \$	2024 Budget \$	2023 Actual \$
(a) Operating grants, subsidies and contributions			
Governance	224,485	421,790	508,964
General purpose funding	5,556,291	5,603,000	7,479,457
Law, order, public safety	383,074	323,800	377,875
Health	22,744	50,000	-
Education and welfare	7,070,109	7,154,184	6,633,944
Community amenities	935,873	623,711	989,877

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City of Cockburn

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Recreation and culture	932,442	630,136	578,377
Transport	–	23,000	–
Economic services	–	2,000	–
Other property and services	20,571	1,012,942	94,207
	15,145,589	15,844,563	16,662,701

(b) Non - operating grants, subsidies and contributions

General purpose funding	2,809,462	2,800,000	3,535,542
Community amenities	–	337,456	–
Recreation and culture	190,652	1,103,357	490,294
Transport	23,992,429	3,503,925	31,432,829
Other property and services	(1,663,828)	780,360	(1,626,313)
	25,328,715	8,525,098	33,832,352

Interest revenue

Interest on reserve account funds	1,034,686	–	582,778
Other interest revenue	11,489,267	8,530,280	6,302,643
Total interest earnings	12,523,953	8,530,280	6,885,421

Fees and charges

Governance	772,032	1,215,652	112,396
General purpose funding	229,504	232,520	216,269
Law, order, public safety	1,102,873	1,037,160	754,054
Health	2,242	337,000	1,934
Education and welfare	724,763	806,866	445,315
Community amenities	18,690,892	15,110,025	19,193,344
Recreation and culture	18,683,955	13,109,022	16,227,092
Transport	537,384	35,000	560,999
Economic services	1,572,021	3,154,770	1,213,608
Other property and services	1,831,385	3,789,360	1,386,398
	44,147,051	38,827,375	40,111,409

SIGNIFICANT ACCOUNTING POLICY

Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(b) Expenses

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Note			
Materials and contracts			
Auditors remuneration			
- Audit of the annual financial report - OAG	87,590	90,000	84,300
Total Auditors remuneration	87,590	90,000	84,300
Materials	1,253,492	543,842	809,080
Contract expenses	25,144,951	29,629,355	21,409,571
Information technology	5,377,929	5,614,745	4,345,068
Other	17,128,822	17,656,177	15,814,828
Total materials and contracts	48,992,784	53,534,119	42,462,847
Employee costs			
Employee benefit costs	76,177,310	76,466,972	66,505,598
Other employee costs	1,271,057	1,886,078	1,228,611
Total employee costs	77,448,367	78,353,050	67,734,209
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	27a 229,846	300,000	382,623
Lease liabilities	27b 25,340	883	5,155
Provisions: unwinding of discount	1,270,210	100,000	1,165,391
Total	1,525,396	400,883	1,553,169
Other expenditure			
Sundry expenses	1,416,334	1,259,696	1,163,250
Elected member remuneration	486,179	497,800	497,481
Donations	1,257,809	1,465,500	1,115,841
Landfill levy	9,711,733	6,637,603	10,121,487
Fuel issues	1,279,356	1,543,790	1,206,290
Total Other expenditure	14,151,411	11,404,389	14,104,349

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City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Other non-Operating result items			
(i) Fair value adjustments to financial assets at fair value through profit or loss			
The significant expense/revenue relates to the reduction in the fair value of the Council's investments	3,363	7,372	7,372
	<u>3,363</u>	<u>7,372</u>	<u>7,372</u>
Adjustment to borrowings	-	-	(38,023)
	<u>-</u>	<u>-</u>	<u>(38,023)</u>

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Cash and cash equivalents

	Note	2024 \$	2023 \$
Cash at bank and on hand		7,990,274	6,592,531
Term deposits		5,000,000	7,000,000
Total cash and cash equivalents	18a	12,990,274	13,592,531
Held as			
- Unrestricted cash and cash equivalents		6,244,455	11,108,713
- Restricted cash and cash equivalents	18a	6,745,819	2,483,818
Total		12,990,274	13,592,531

MATERIAL ACCOUNTING POLICIES**Cash and cash equivalents**

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

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.

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions.

Restrictions are specified in an agreement, contract or legislation.

This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Note 4. Other financial assets

	2024 \$	2023 \$
(a) Current assets		
Financial assets at amortised cost	157,000,000	183,000,000
Total current financial assets	157,000,000	183,000,000
Financial assets at amortised cost		
Term deposits	157,000,000	183,000,000
	157,000,000	183,000,000
Held as		
- Unrestricted other financial assets at amortised cost	12,798,814	8,120,857
- Restricted other financial assets at amortised cost	144,201,186	174,879,143
Total	157,000,000	183,000,000
(b) Non current assets		
Financial assets at fair value through profit or loss	166,342	162,979

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City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. Other financial assets (continued)

	2024	2023
	\$	\$
Financial assets at amortised cost	77,785,586	38,349,058
Total non-current financial assets	77,951,928	38,512,037
Financial assets at fair value through profit or loss		
Units in Local Government House Trust	166,342	162,979
	166,342	162,979
Financial assets at amortised cost		
Term deposits	77,785,586	38,349,058
	77,785,586	38,349,058
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	162,979	155,607
Movement attributable to fair value increment	3,363	7,372
Units in Local Government House Trust - closing balance	166,342	162,979

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at a mortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierachy (see Note 22 (i)) due to the observable market rates.)

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

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Trade and other receivables

	2024	2023
	\$	\$
Current		
Rates and statutory receivables	2,136,208	1,923,204
Trade receivables	12,875,240	8,678,402
GST (payable)/receivable	2,919,205	145,003
	<u>17,930,653</u>	<u>10,746,609</u>
Non-current		
Pensioner's rates and ESL deferred	1,155,297	1,095,041
Accrued debtors	267,663	267,663
	<u>1,422,960</u>	<u>1,362,704</u>

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the City of Cockburn has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk has been remained with the City of Country, therefore the City continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing as other loans at Note 14. The City considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

MATERIAL ACCOUNTING POLICIES**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade and other receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other Receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Inventories

	2024	2023
	\$	\$
Current		
Fuel and materials	34,392	27,313
Total current inventories	<u>34,392</u>	<u>27,313</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	27,313	49,805
Additions to inventory	7,079	–
Reduction to inventory	–	(22,492)
Balance at end of year	<u>34,392</u>	<u>27,313</u>

MATERIAL ACCOUNTING POLICIES**General**

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

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

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. Other assets

	2024	2023
	\$	\$
Other assets - current		
Prepayments	1,108,354	670,706
Accrued income	2,250,880	4,968,996
Total other assets - current	3,359,234	5,639,702

MATERIAL ACCOUNTING POLICIES**Other current assets**

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

City of Cockburn

Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 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.

	Freehold Land	Buildings non-specialised	Total Property	Computer equipment	Plant and equipment Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	84,959,200	248,109,780	333,068,980	3,104,677	621,466	11,694,357	348,489,480
Additions	1,680,000	5,031,172	6,711,172	476,620	6,269	2,754,774	9,948,835
Disposals	–	–	–	–	–	(1,262,664)	(1,262,664)
Revaluation increments transferred to revaluation surplus	2,095,980	35,986,101	38,082,081	–	–	–	38,082,081
Depreciation	–	(4,867,689)	(4,867,689)	(1,711,664)	(248,381)	(2,821,204)	(9,648,938)
Transfers	–	(66,229)	(66,229)	20,552	–	–	(45,677)
Balance at 30 June 2023	88,735,180	284,193,135	372,928,315	1,890,185	379,354	10,365,263	385,563,117
Comprises:							
Gross balance amount at 30 June 2023	88,735,180	401,240,018	489,975,198	11,291,344	2,370,050	24,985,918	528,622,510
Accumulated depreciation at 30 June 2023	–	(117,046,883)	(117,046,883)	(9,401,159)	(1,990,696)	(14,620,655)	(143,059,393)
Balance at 30 June 2023	88,735,180	284,193,135	372,928,315	1,890,185	379,354	10,365,263	385,563,117
Balance at 1 July 2023	88,735,180	284,193,135	372,928,315	1,890,185	379,354	10,365,263	385,563,117
Additions	–	11,277,545	11,277,545	2,552,356	457,700	4,313,330	18,600,931
Disposals	–	(1,744,029)	(1,744,029)	–	–	(525,871)	(2,269,900)
Depreciation	–	(5,597,507)	(5,597,507)	(1,076,947)	(104,570)	(2,908,757)	(9,687,781)
Transfers	–	17,174	17,174	–	(6,271)	–	10,903
Balance at 30 June 2024	88,735,180	288,146,318	376,881,498	3,365,594	726,215	11,243,965	392,217,272
Comprises:							
Gross balance amount at 30 June 2024	88,735,180	407,972,342	496,707,522	13,843,700	2,821,481	27,531,358	540,904,061
Accumulated depreciation at 30 June 2024	–	(119,826,024)	(119,826,024)	(10,478,106)	(2,095,266)	(16,287,393)	(148,686,789)
Balance at 30 June 2024	88,735,180	288,146,318	376,881,498	3,365,594	726,215	11,243,965	392,217,272

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Notes to the Financial Statements
for the year ended 30 June 2024

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Land	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2023	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.
Buildings - non-specialised	Level 2 and 3	Market indexation approach using Current Replacement Cost	Independent Registered Valuer	June 2023	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

City of Cockburn

Notes to the Financial Statements
for the year ended 30 June 2024

Note 9. Infrastructure

(a) Movements in balances

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

	Infrastructure roads \$	Infrastructure drainage \$	Infrastructure footpaths \$	Infrastructure parks equipment \$	Infrastructure other \$	Other infrastructure – landfill \$	Other infrastructure – marina \$	Other infrastructure – coastal \$	Infrastructure Rehabilitation asset \$	Total infrastructure \$
Balance as at 1 July 2022	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
Additions *	26,087,270	6,069,102	2,943,878	4,082,651	240,195	4,350,819	898,356	147,495	–	44,819,766
Revaluation increments transferred to revaluation surplus	83,230,172	41,309,510	13,528,311	7,488,323	–	–	–	–	–	145,556,316
Depreciation	(15,106,164)	(3,102,524)	(3,341,604)	(6,449,258)	–	(1,460,808)	(222,224)	(606,081)	(1,562,808)	(31,851,471)
Transfers	66,917	–	(24,708)	243,661	(240,195)	–	(16,046)	16,046	–	45,675
Remeasurement	–	–	–	–	–	–	–	–	(224,744)	(224,744)
Balance at 30 June 2023	649,067,760	291,117,035	125,448,471	94,122,792	–	18,091,405	10,560,418	48,367,332	20,430,707	1,257,205,920
Comprises:										
Gross balance amount at 30 June 2023	1,011,516,072	357,479,648	178,087,703	133,417,516	–	53,170,984	14,263,754	55,295,683	40,476,025	1,843,707,385
Accumulated depreciation at 30 June 2023	(362,448,312)	(66,362,613)	(52,639,232)	(39,294,724)	–	(35,079,579)	(3,703,336)	(6,928,351)	(20,045,318)	(586,501,465)
Balance at 30 June 2023	649,067,760	291,117,035	125,448,471	94,122,792	–	18,091,405	10,560,418	48,367,332	20,430,707	1,257,205,920
Balance as at 1 July 2023	649,067,760	291,117,035	125,448,471	94,122,792	–	18,091,405	10,560,418	48,367,332	20,430,707	1,257,205,920
Additions *	16,133,961	7,873,547	3,832,485	5,897,262	–	2,394,162	1,013,158	281,164	–	37,425,739
Depreciation	(16,881,848)	(3,565,768)	(3,792,794)	(6,830,010)	–	(1,465,336)	(470,208)	(619,505)	(5,670,053)	(39,295,522)
Transfers	–	–	–	6,271	–	(17,174)	1,319,995	(1,319,995)	–	(10,903)
Remeasurement	–	–	–	–	–	–	–	–	(2,519,703)	(2,519,703)
Balance at 30 June 2024	648,319,873	295,424,814	125,488,162	93,196,315	–	19,003,057	12,423,363	46,708,996	12,240,951	1,252,805,531
Comprises:										
Gross balance amount at 30 June 2024	1,027,650,033	365,353,195	181,920,188	139,321,049	–	55,547,972	15,276,912	55,576,847	37,956,322	1,878,602,518
Accumulated depreciation at 30 June 2024	(379,330,160)	(69,928,381)	(56,432,026)	(46,124,734)	–	(36,544,915)	(2,853,549)	(8,867,851)	(25,715,371)	(625,796,987)
Balance at 30 June 2024	648,319,873	295,424,814	125,488,162	93,196,315	–	19,003,057	12,423,363	46,708,996	12,240,951	1,252,805,531
* Asset additions included gifted assets received at substantially less than fair value: As at 30 June 2024	9,912,198	5,617,277	2,465,186	1,193,904	–	–	–	–	–	19,188,565

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Notes to the Financial Statements
for the year ended 30 June 2024

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - footpaths	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - drainage	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Infrastructure - parks and ovals	3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Other infrastructure - landfill	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	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

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Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 9. Infrastructure (continued)

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
Infrastructure - rehabilitation asset	3	Cost Approach Using Current Replacement Cost	Independent Registered Valuer	June 2021	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount

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

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

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Fixed assets

		2024 Actual \$	2024 Budget \$	2023 Actual \$
	Note			
(a) Depreciation				
Buildings - non-specialised	8a	5,597,507	4,890,711	4,867,689
Furniture and equipment	8a	104,570	77,628	248,382
Plant and equipment	8a	2,908,757	3,300,735	2,821,204
Computer equipment	8a	1,076,947	736,692	1,711,664
Infrastructure - roads	9a	16,881,848	15,605,184	15,106,164
Infrastructure - footpaths	9a	3,792,794	3,451,308	3,341,604
Infrastructure - drainage	9a	3,565,768	3,204,379	3,102,524
Infrastructure - parks and ovals	9a	6,830,010	6,660,984	6,449,258
Other infrastructure - landfill	9a	1,465,336	1,508,766	1,460,808
Other infrastructure - marina	9a	470,208	229,520	222,224
Other infrastructure - coastal	9a	619,505	625,978	606,081
Infrastructure - Rehabilitation asset	9a	5,670,053	1,626,288	1,562,808
Right-of-use assets - plant and equipment	11	204,338	119,457	131,852
Total depreciation		49,187,641	42,037,630	41,632,262

Depreciation rates

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

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

	2024 Actual \$	2023 Actual \$

(b) Fully depreciated assets in use

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

Buildings - non-specialised	480,870	480,870
Furniture and equipment	9,499,077	2,116,627
Plant and equipment	6,019,996	5,025,761
	15,999,943	7,623,258

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Fixed assets (continued)

(c) Disposal of assets

The following assets were disposed of during the year.

	Net book value			Sales price			Profit			Loss		
	2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By asset class												
<i>Property, plant and equipment</i>												
Buildings - non-specialised	1,744,029	-	-	-	-	-	-	-	-	(1,744,029)	-	-
Plant and equipment	525,871	1,006,920	1,262,664	650,783	1,149,500	1,721,548	124,912	142,580	458,884	-	-	-
Total by asset class	2,269,900	1,006,920	1,262,664	650,783	1,149,500	1,721,548	124,912	142,580	458,884	(1,744,029)	-	-
By program												
<i>Property, plant and equipment</i>												
Law, order, public safety	-	-	-	882	-	66,818	882	-	66,818	-	-	-
Education and welfare	-	-	-	-	70,000	-	-	70,000	-	-	-	-
Recreation and culture	1,744,029	-	-	-	-	-	-	-	-	(1,744,029)	-	-
Transport	400,942	770,892	929,722	439,372	780,000	1,261,428	38,430	9,108	331,706	-	-	-
Other property and services	124,929	236,028	332,942	210,529	299,500	393,302	85,600	63,472	60,360	-	-	-
Total By program	2,269,900	1,006,920	1,262,664	650,783	1,149,500	1,721,548	124,912	142,580	458,884	(1,744,029)	-	-

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

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

Reportable Value

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

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

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework *Local*

Government (Financial Management) Regulation 17A(4A).

This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

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

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, 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.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Fixed assets (continued)

land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 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	Plant & Equipment \$	Total \$
2023			
Balance at 1 July 2022		105,539	105,539
Additions		529,545	529,545
Depreciation	10a	(131,852)	(131,852)
Balance at 30 June 2023		503,232	503,232
Gross balance amount at 30 June 2023		1,746,686	1,746,686
Accumulated depreciation at 30 June 2023		(1,243,454)	(1,243,454)
Balance at 30 June 2023		503,232	503,232
2024			
Balance at 1 July 2023		503,232	503,232
Additions		891,719	891,719
Depreciation	10a	(204,338)	(204,338)
Balance at 30 June 2024		1,190,613	1,190,613
Gross balance amount at 30 June 2024		2,638,405	2,638,405
Accumulated depreciation at 30 June 2024		(1,447,792)	(1,447,792)
Balance at 30 June 2024		1,190,613	1,190,613

Amounts included in the statement of comprehensive income related to leases

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

	Note	2024 Actual \$	2023 Actual \$
Expenses			
Depreciation on right-of-use assets	10a	(204,338)	(131,852)
Finance charge on lease liabilities	27b	(25,340)	(5,155)
Short-term lease payments recognised as expense		–	(138,113)
Total amount recognised in the statement of comprehensive income		(229,678)	(275,120)
Total cash outflow from leases		–	(143,268)

(b) Lease liabilities

Current		179,976	100,625
Non-current		1,035,261	405,458
Total lease liabilities	27b	1,215,237	506,083

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.

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 11. Leases (continued)

MATERIAL ACCOUNTING POLICIES**Leases**

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

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

All contracts that are classified as short-term leases (i.e. a lease with a remaining 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 borrowings required by regulations are provided at Note 26(a).

Right-of-use assets - valuation

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.

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 shortest. 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.

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Trade and other payables

	2024	2023
	\$	\$
Current		
Sundry creditors	13,057,374	15,087,235
Prepaid rates	2,320,390	2,213,965
ATO liabilities	299,835	–
Bonds and deposits held	2,495,324	2,483,818
Other prepaid income	150,122	224,049
Total current trade and other payables	18,323,045	20,009,067
Non-current		
Bonds and deposits held	2,192,268	1,356,582
Total non-current trade and other payables	2,192,268	1,356,582

MATERIAL ACCOUNTING POLICIES**Financial liabilities**

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

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

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

Trade and other payables

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

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

Prepaid rates

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

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 13. Other liabilities

	2024	2023
	\$	\$
(a) Other liabilities		
Current		
Contract liabilities	3,512,697	1,211,130
	<u>3,512,697</u>	<u>1,211,130</u>
Non-current		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	12,387,362	15,407,476
	<u>12,387,362</u>	<u>15,407,476</u>
Total other liabilities	<u>15,900,059</u>	<u>16,618,606</u>
Reconciliation of changes in contract liabilities		
Opening balance	16,618,606	18,693,587
Additions	573,167	2,919,730
Revenue from contracts with customers included as a contract liability at the start of the period	(1,291,714)	(4,994,711)
	<u>15,900,059</u>	<u>16,618,606</u>
The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	16,618,606	18,693,587
Additions	12,135,647	19,496,583
Revenue from capital grant/contributions held as a liability at the start of the period	(12,854,194)	(21,571,564)
	<u>15,900,059</u>	<u>16,618,606</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	3,593,281	1,211,130
1 to 2 years	5,000,000	1,000,000
2 to 3 years	2,000,000	3,000,000
3 to 4 years	3,000,000	6,788,870
4 to 5 years	500,000	3,000,000
> 5 years	1,806,778	1,618,606
	<u>15,900,059</u>	<u>16,618,606</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.

MATERIAL ACCOUNTING POLICIES**Contract Liabilities**

Contract liabilities represent the 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

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 13. Other liabilities (continued)

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, 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 22(i)) due to the unobservable inputs, including own credit risk.

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Borrowings

	Note	2024			2023		
		Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured							
Bank loans		2,500,000	2,500,000	5,000,000	2,500,000	5,000,000	7,500,000
Total secured borrowings	27a	2,500,000	2,500,000	5,000,000	2,500,000	5,000,000	7,500,000

Secured liabilities and assets pledged as security

Bank loans are secured by a floating charge over the assets of the City of Cockburn.

The City of Cockburn has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

MATERIAL ACCOUNTING POLICIES**Borrowing costs**

The City has elected to recognise borrowings costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided at Note 26(a).

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 15. Employee related provisions

	2024	2023
	\$	\$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	4,783,341	4,643,393
Long service leave	5,103,483	4,669,795
	<u>9,886,824</u>	<u>9,313,188</u>
Total current employee related provisions	<u>9,886,824</u>	<u>9,313,188</u>
Non-current provisions		
Long service leave	1,816,599	1,598,227
	<u>1,816,599</u>	<u>1,598,227</u>
Total non-current employee related provisions	<u>1,816,599</u>	<u>1,598,227</u>
Total employee related provisions	<u>11,703,423</u>	<u>10,911,415</u>

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:

	2024	2023
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	9,886,824	9,313,188
More than 12 months from reporting date	1,816,599	1,598,227
	<u>11,703,423</u>	<u>10,911,415</u>

MATERIAL ACCOUNTING POLICIES**Employee benefits**

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 15. Employee related provisions (continued)

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

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 16. Other Provisions

	Provision for rehabilitation of landfill	Total
Opening balance at 1 July 2023		
Current provisions	-	-
Non-current provisions	37,359,107	37,359,107
	<u>37,359,107</u>	<u>37,359,107</u>
Additional provision	(3,635,530)	(3,635,530)
Amounts used	1,115,827	1,115,827
Unused amounts reversed	-	-
Charged to profit or loss		
- unwinding of discount	1,270,210	1,270,210
	<u>36,109,614</u>	<u>36,109,614</u>
Balance at 30 June 2024		
Comprises		
Current	-	-
Non-current	36,109,614	36,109,614
	<u>36,109,614</u>	<u>36,109,614</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.

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Notes to the Financial Statements
for the year ended 30 June 2024

Note 17. Revaluation surplus

	2024				2023					
	Opening Balance \$	Revaluation Increment \$	Revaluation (Decrement) \$	Total Movement on Revaluation \$	Closing Balance \$	Opening Balance \$	Revaluation Increment \$	Revaluation (Decrement) \$	Total Movement on Revaluation \$	Closing Balance \$
Revaluation surplus - Land	111,732,899	-	-	-	111,732,899	109,636,919	2,095,980	-	2,095,980	111,732,899
Revaluation surplus - Buildings - non-specialised	56,294,831	-	-	-	56,294,831	20,308,730	35,986,101	-	35,986,101	56,294,831
Revaluation surplus - Infrastructure - roads	412,381,094	-	-	-	412,381,094	329,150,922	83,230,172	-	83,230,172	412,381,094
Revaluation surplus - Infrastructure - footpaths	108,468,650	-	-	-	108,468,650	94,940,339	13,528,311	-	13,528,311	108,468,650
Revaluation surplus - Infrastructure - drainage	222,980,596	-	-	-	222,980,596	181,671,086	41,309,510	-	41,309,510	222,980,596
Revaluation surplus - Infrastructure - parks equipment	46,928,597	-	-	-	46,928,597	39,440,274	7,488,323	-	7,488,323	46,928,597
Revaluation surplus - Infrastructure - landfill	40,533	-	-	-	40,533	40,532	-	-	-	40,533
Revaluation surplus - Infrastructure - coastal	24,566,155	-	-	-	24,566,155	24,566,155	-	-	-	24,566,155
	983,393,355	-	-	-	983,393,355	799,754,957	183,638,397	-	183,638,397	983,393,355
	983,393,355	-	-	-	983,393,355	799,754,957	183,638,397	-	183,638,397	983,393,355

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

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 18. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand 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	2024 Actual \$	2024 Budget \$	2023 Actual \$
Cash and cash equivalents	3	<u>12,990,274</u>	<u>5,181,374</u>	<u>13,592,531</u>

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	6,745,819	4,859,214	2,483,818
- Financial assets at amortised cost		215,407,618	201,147,800	210,774,244
		<u>222,153,437</u>	<u>206,007,014</u>	<u>213,258,062</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	28	215,496,544	181,765,048	209,678,314
Contract liabilities	13	3,512,697	24,241,966	1,211,130
Bonds & deposits		2,192,268	–	1,356,582
Financial assets at fair value through profit and loss		166,342	–	162,979
Restricted non-current investment		785,586	–	849,058
Total restricted financial assets		<u>222,153,437</u>	<u>206,007,014</u>	<u>213,258,062</u>

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

Net result		24,566,907	3,885,270	39,441,991
Non-cash items:				
Depreciation/amortisation		49,187,641	42,037,630	41,632,262
Adjustments to fair value of financial assets at fair value through profit or loss		(3,363)	(7,372)	(7,372)
(Profit)/loss on sale of asset		1,619,117	(142,580)	(458,884)
Population adjustment to long term borrowings		–	–	38,023
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(7,244,300)	–	(2,836,475)
(Increase)/decrease in inventories		(7,079)	–	22,492
(Increase)/decrease in other assets		2,280,468	–	(915,545)
Increase/(decrease) in trade and other payables		(850,336)	140,583	351,801
Increase/(decrease) in employee related provisions		792,008	–	262,478
Increase/(decrease) in other provisions		(1,249,493)	–	940,646
Increase/(decrease) in other liabilities		2,301,567	802,183	(3,783,581)
Capital grants, subsidies and contributions		(25,328,715)	(9,327,282)	(33,832,352)
Net cash provided by/(used in) operating activities		<u>46,064,422</u>	<u>37,388,432</u>	<u>40,855,484</u>

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 18. Notes to the statement of cash flows (continued)

	2024 Actual \$	2023 Actual \$
(c) Undrawn borrowing facilities credit standby arrangements		
Credit card limit	350,000	350,000
Credit card balance at balance date	(109,493)	(109,363)
Total amount of credit unused	240,507	240,637

	Note	2024 \$	2023 \$
Loan facilities			
Loan facilities - current	14	2,500,000	2,500,000
Loan facilities - non-current	14	2,500,000	5,000,000
Total facilities in use at balance date		5,000,000	7,500,000

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 19. Contingent liabilities

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

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

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

Note 20. Capital commitments

	2024	2023
	\$	\$
(a) Capital expenditure commitments		
Contracted for:		
Capital expenditure projects	4,225,081	18,531,672
Hammond Road branch to Bartram	–	3,272,956
Land acquisition - Cockburn Coast Oval	10,801,926	10,089,480
Plant & equipment purchases	5,022,476	10,391,100
Henderson Redevelopment	1,885,496	2,126,293
Cockburn ARC Expansion	12,815,475	–
Santich Park - parking and new lightings	1,328,298	–
Stratton Street upgrade	922,410	–
Malabar Park BMX facility	702,213	–
Total capital expenditure commitments	37,703,375	44,411,501
Payable:		
- not later than one year	21,273,831	13,190,375
- later than one year but not later than five years	16,429,544	31,221,126
Total capital expenditure commitments	37,703,375	44,411,501

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 21. Related party transactions

	2024 Actual \$	2024 Budget \$	2023 Actual \$
(a) Council Member Remuneration			
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Mayor's annual allowance	93,380	93,380	91,997
Mayor's meeting attendance fees	49,435	49,435	48,704
Mayor's other expenses	78	1,500	599
Mayor's annual allowance for ICT expenses	3,500	3,500	2,783
Mayor's travel and accommodation expenses	8,319	–	–
Total	154,712	147,815	144,083
Deputy Mayor's annual allowance	23,345	23,345	22,999
Deputy Mayor's child care expenses	3,989	–	6,010
Deputy Mayor's other expenses	–	–	1,021
Deputy Mayor's meeting attendance fees	32,960	32,960	32,470
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	332	–	683
Total	64,126	59,805	66,683
All other council member's meeting attendance fees	253,736	263,680	248,233
All other council member's annual allowance for ICT expenses	25,945	28,000	25,831
All other council member's travel and accommodation expenses	4,483	23,500	5,288
All other council member's child care expenses	–	–	4,109
All other council member's expenses	607	–	3,254
Total	284,771	315,180	286,715
Total council member remuneration	503,609	522,800	497,481

	2024 Actual \$	2023 Actual \$
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(b) Key management personnel**Key Management Personnel (KMP) Compensation**

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

Short-term employee benefits	2,195,002	1,783,110
Post-employment benefits	247,393	209,672
Employee - other long-term benefits	771,544	480,366
Council member costs	503,609	497,481
Total	3,717,548	2,970,629
Total KMP	8	7

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 21. Related party transactions (continued)

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Council member costs

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

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 22. Financial risk management

Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates, cash and cash equivalents earning variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings, cash and cash equivalent is maintained as small fraction of the City's liquid financial assets
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
2024					
Cash and cash equivalents	4.98%	12,990,274	–	12,990,274	–
Financial assets at amortised cost - term deposits	4.76%	234,785,586	234,785,586	–	–
2023					
Cash and cash equivalents	1.02%	13,592,531	7,000,000	6,592,531	–
Financial assets at amortised cost - term deposits	3.07%	221,349,058	221,349,058	–	–

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 22. Financial risk management (continued)

Sensitivity

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

	2024	2023
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity *	129,903	65,925

(*) 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 28(a).

(b) Credit risk**Trade and Other Receivables**

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
30 June 2024					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	11,071,938	691,731	898,357	213,213	12,875,239
Loss allowance	-	-	-	-	-
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,740,229	209,380	348,967	2,756,838	5,055,414
Loss allowance	-	-	-	-	-
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	8,156,600	28,990	337,409	155,403	8,678,402
Loss allowance	-	-	-	-	-

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 22. Financial risk management (continued)

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,017,728	162,604	77,179	810,695	2,068,206
Loss allowance	–	–	–	–	–

(c) Liquidity risk

Payables and borrowings

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

Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 20(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2024					
Trade and other payables	18,323,045	2,192,268	–	20,515,313	18,323,045
Borrowings	2,500,000	2,500,000	–	5,000,000	5,000,000
Lease liabilities	179,976	1,035,261	–	1,215,237	1,215,237
	21,003,021	5,727,529	–	26,730,550	24,538,282
2023					
Trade and other payables	19,042,759	22,090,875	–	41,133,634	20,009,067
Borrowings	2,500,000	5,000,000	–	7,500,000	7,500,000
Lease liabilities	934	–	–	934	506,083
	21,543,693	27,090,875	–	48,634,568	28,015,150

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 23. Other Material Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level 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

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 23. Other Material Accounting Policies (continued)

or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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

In accordance with FM Reg 17(4C), the City is not required to comply with AASB 136 Impairment of Assets to determine the recoverable amounts of its nonfinancial assets that are land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values. In other circumstances where it has been assessed that one or more nonfinancial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 24. Function and activity

(a) Service objectives and descriptions

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

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

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 24. Function and activity (continued)

(b) Income and expenses

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Income excluding grants, subsidies and contributions			
Governance	649,999	1,215,652	54,710
General purpose funding	142,003,278	135,024,892	125,727,046
Law, order, public safety	1,316,396	1,037,160	943,922
Health	332,192	337,000	335,821
Education and welfare	1,200,213	877,146	709,531
Community amenities	19,109,325	15,110,025	19,450,952
Recreation and culture	12,107,166	13,109,022	12,693,487
Transport	38,423	44,108	594,534
Economic services	3,334,427	3,154,770	1,924,749
Other property and services	4,245,129	3,852,832	3,602,752
	<u>184,336,548</u>	<u>173,762,607</u>	<u>166,037,503</u>
Grants, subsidies and contributions			
Governance	347,385	421,790	143,885
General purpose funding	8,309,826	8,403,000	10,777,041
Law, order, public safety	431,112	323,800	633,870
Health	22,557	50,000	17,181
Education and welfare	7,015,457	7,154,187	6,509,099
Community amenities	825,763	961,167	1,189,418
Recreation and culture	690,680	1,733,493	2,818,509
Transport	23,943,053	3,526,922	29,448,037
Economic services	8,558	2,000	945
Other property and services	(1,120,087)	1,793,302	(1,042,932)
	<u>40,474,304</u>	<u>24,369,661</u>	<u>50,495,053</u>
Total income	<u>224,810,852</u>	<u>198,132,268</u>	<u>216,532,556</u>
Expenses			
Governance	(17,419,848)	(21,244,161)	(15,844,437)
General purpose funding	(678,716)	(709,103)	(944,414)
Law, order, public safety	(8,240,882)	(7,966,385)	(7,399,526)
Health	(3,017,129)	(3,221,077)	(2,529,468)
Education and welfare	(16,192,068)	(16,864,593)	(14,522,389)
Community amenities	(47,643,507)	(42,301,504)	(39,976,726)
Recreation and culture	(55,510,219)	(52,237,221)	(50,061,183)
Transport	(41,143,698)	(38,713,045)	(36,483,729)
Economic services	(3,232,673)	(3,336,739)	(2,818,142)
Other property and services	(7,165,205)	(7,653,171)	(6,510,551)
	<u>(200,243,945)</u>	<u>(194,246,999)</u>	<u>(177,090,565)</u>
Net result for the period	<u>24,566,907</u>	<u>3,885,269</u>	<u>39,441,991</u>

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City of Cockburn

Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 24. Function and activity (continued)

(c) Total assets

	2024 Actual \$	2023 Actual \$
Governance	31,907,587	38,701,450
General purpose funding	251,233,707	238,195,664
Law, order, public safety	811,003	897,652
Health	997,065	1,038,615
Education and welfare	1,177,962	1,287,396
Community amenities	17,780,493	16,889,905
Recreation and culture	184,473,781	183,581,114
Transport	1,064,102,302	1,059,802,169
Economic services	243,538	263,615
Other property and services	364,175,419	355,495,585
Total assets	1,916,902,857	1,896,153,165

City of Cockburn

Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 25. Rating information

Rate type	Basis of valuation	Rate in \$	Number of properties	2023/24 Actual Rateable value ⁽¹⁾	2023/24 Actual Rate revenue	2023/24 Actual Interim rates	2023/24 Actual Total revenue	2023/24 Budget rate revenue	2023/24 Budget interim rate	2023/24 Budget total revenue	2022/23 Actual Total revenue	
				\$	\$	\$	\$	\$	\$	\$	\$	
General Rates												
Rate Description												
Improved Commercial/Industrial - Gross rental valuation	Gross rental valuation	0.08750	2,801	368,609,819	32,253,359	-	32,253,359	32,253,359	-	32,253,359	30,092,061	
Improved Commercial - Caravan Park	Gross rental valuation	0.08307	2	2,658,240	220,820	-	220,820	220,820	-	220,820	210,178	
Improved Residential	Gross rental valuation	0.07791	33,349	796,102,930	62,024,369	-	62,024,369	62,024,379	-	62,024,379	56,119,569	
Vacant	Gross rental valuation	0.09531	1,662	33,648,026	3,206,993	-	3,206,993	3,206,993	-	3,206,993	3,112,569	
Rural Vacant Land	Unimproved valuation	0.00463	45	56,125,000	254,246	-	254,246	254,246	-	254,246	240,775	
Rural General - Unimproved valuation	Unimproved valuation	0.00294	59	49,505,000	145,545	-	145,545	145,545	-	145,545	152,754	
Improved Commercial / Industrial - Split valuation	Split valuation	-	-	-	-	-	-	-	-	-	13,640	
Rural General - Split valuation	Split valuation	-	-	-	-	-	-	-	-	-	1,363	
Part Year Rating - GRV & UV	Split valuation	-	-	-	-	1,858,266	1,858,266	-	1,123,320	1,123,320	1,239,237	
Ex-gratia rates	Split valuation	-	-	-	4,830,255	-	4,830,255	4,647,754	15,000	4,662,754	4,354,396	
Total general rates			37,918	1,306,649,015	102,935,587	1,858,266	104,793,853	102,753,096	1,138,320	103,891,416	95,536,542	
Minimum payment												
Improved Commercial/Industrial	Gross rental valuation	863.00	176	1,421,549	151,888	-	151,888	151,888	-	151,888	167,688	
Improved Residential	Gross rental valuation	1,478.00	14,059	231,208,622	20,779,202	-	20,779,202	20,779,202	-	20,779,202	22,013,152	
Vacant	Gross rental valuation	780.00	1,536	9,416,633	1,198,080	-	1,198,080	1,198,080	-	1,198,080	1,155,365	
Rural Vacant Land	Unimproved valuation	1,051.00	1	13,000	1,051	-	1,051	1,051	-	1,051	16,016	
Rural General	Unimproved valuation	1,051.00	4	14,280	4,204	-	4,204	4,204	-	4,204	4,004	
Total minimum payments			15,776	242,074,084	22,134,425	-	22,134,425	22,134,425	-	22,134,425	23,356,225	
Total general rates and minimum payments			53,694	1,548,723,099	125,070,012	1,858,266	126,928,278	124,887,521	1,138,320	126,025,841	118,892,767	
Specified Area Rate												
Port Coogee Special Maintenance		-	-	-	428,709	-	428,709	400,000	-	400,000	397,061	
Port Coogee Waterways		-	-	-	112,625	-	112,625	100,000	-	100,000	105,245	
Cockburn Coast Special Maintenance		-	-	-	64,718	-	64,718	55,000	-	55,000	48,426	
Specified Area Rates - Bibra Lake Sewer Stage 1		-	-	-	-	-	-	-	-	-	64,035	
Total amount raised from rates (excluding general rates)			-	-	606,052	-	606,052	555,000	-	555,000	614,767	
Concessions							(847,670)			(825,841)	(895,093)	
Total rates							126,686,660			125,755,000	118,612,440	
Rate instalment interest							(3)			489,259		
Rate overdue interest							86,811			100,000	231,627	

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

(1) Rateable Value at time of raising of rate.

City of Cockburn

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 26. Determination of surplus or deficit

	2023/24	2023/24	2022/23
	30 June 2024	Budget 30 June 2024	30 June 2023
	Carried Forward	Carried Forward	Carried Forward
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(124,912)	(142,580)	(458,884)
Less: Movement in liabilities associated with restricted cash	(3,020,114)	–	1,708,600
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,363)	(7,372)	(7,372)
Add: Loss on disposal of assets	1,744,029	–	–
Add: Depreciation	10a 49,187,641	42,037,630	41,632,262
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(60,256)	–	(25,488)
Employee benefit provisions	218,372	–	135,723
Other provisions	(1,249,493)	–	940,646
Add: Adjustment to borrowings	–	–	38,023
Non-cash amounts excluded from operating activities	46,691,904	41,887,678	43,963,510
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Movement in non-current capital grant/contribution liability	–	802,184	–
Infrastructure received for substantially less than fair value	9a 19,188,565	–	15,661,884
Non cash Capital grants, subsidies and contributions	(19,188,565)	–	(15,661,884)
Non-cash amounts excluded from investing activities	–	802,184	–

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Financial Report 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 26. Determination of surplus or deficit (continued)

		2023/24	2023/24	2022/23
	Note	30 June 2024 Carried Forward	Budget 30 June 2024 Carried Forward	30 June 2023 Carried Forward
		\$	\$	\$
(c) Surplus/(deficit) after imposition of general rates				
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.				
Adjustments to net current assets				
Less: Reserve accounts	28	(215,496,544)	(181,765,048)	(209,678,314)
Less: Bonds and deposits		(2,192,268)	(3,700,000)	(1,356,587)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	2,500,000	-	2,500,000
- Current portion of lease liabilities	11b	179,976	-	100,625
- Financial assets - restricted - non current		77,785,586	860,700	38,349,058
Total adjustments to net current assets		(137,223,250)	(184,604,348)	(170,085,218)
Net current assets used in the Statement of Financial Activity				
Total current assets		191,314,553	215,997,775	213,006,155
Less: Total current liabilities		(34,402,542)	(31,130,583)	(33,134,010)
Less: Total adjustments to net current assets		(137,223,250)	(184,604,348)	(170,085,218)
Surplus or deficit after imposition of general rates		19,688,761	262,844	9,786,927

City of Cockburn

Notes to the Financial Statements
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Principal at 1 July 2022	New loans During 2022-23 (Population adjustment)	Principal repayments During 2022-23	Actual Principal at 30 June 2023	New loans During 2023-24	Principal repayments During 2023-24	Actual Principal at 30 June 2024	Principal at 1 July 2023	Budget New Loans During 2023-24	Principal repayments	Principal at 30 June 2024
To assist fund the Cockburn ARC recreation facility		10,000,000	–	(2,500,000)	7,500,000	–	(2,500,000)	5,000,000	7,500,000	–	(2,500,000)	5,000,000
Portion of SMRC borrowings for RRRC waste recycling project repayable by the City		1,434,065	38,023	(1,472,088)	–	–	–	–	–	–	–	–
Total		11,434,065	38,023	(3,972,088)	7,500,000	–	(2,500,000)	5,000,000	7,500,000	–	(2,500,000)	5,000,000
Total Borrowings	14	11,434,065	38,023	(3,972,088)	7,500,000	–	(2,500,000)	5,000,000	7,500,000	–	(2,500,000)	5,000,000

Borrowing Finance Cost Payments

Purpose	Loan number	Institution	Interest Rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
Portion of SMRC borrowings for RRRC waste recycling project repayable by the City	N/A	WATC	0.00%	Community amenities	30/06/23	–	–	(39,654)
To assist fund the Cockburn ARC recreation facility	8	WATC	2.96%	Recreation and culture	30/06/26	(229,846)	(300,000)	(342,969)
Total						(229,846)	(300,000)	(382,623)
Total Finance Cost Payments						(229,846)	(300,000)	(382,623)

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City of Cockburn

Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities (continued)

(b) Lease liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New leases During 2022-23	Principal repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$
Shark Barrier		35,601	–	(35,601)	–	–	–	–	–
Cisco Network Switches Unified		29,886	–	(29,886)	–	–	–	–	–
Multi Functional devices (MFD's)		49,164	–	(49,164)	–	32,219	(24,120)	8,099	–
Shark Barrier - New Contract		–	529,545	(23,463)	506,083	(55)	(99,677)	406,352	–
Cockburn ARC Gym Lease		–	–	–	–	859,555	(58,769)	800,786	–
Total lease liabilities	11b	114,651	529,545	(138,114)	506,083	891,719	(182,566)	1,215,237	–

Purpose	Lease number	Institution	Lease interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease term
						\$	\$	\$	
Cisco Network Switches Unified	E6N0162330	Maia Financial	1.49%	Governance	31/03/23	–	–	(186)	45 Months
Shark Barrier	C100468	Maia Financial	1.47%	Other property and services	30/11/22	–	–	(133)	41 Months
Shark Barrier - New Contract	C100928	Maia Financial	3.40%	Other property and services	31/03/28	(15,620)	–	(4,430)	60 months
Multi Functional devices (MFD's)	E6N016202/E6N0162166	Maia Financial	1.49%	Governance	01/10/2024	(241)	–	(406)	60 Months
Cockburn ARC Gym lease	C101002	Maia Finance Pty Ltd	3.40%	Other property and services	01/10/2028	(9,479)	–	–	60 Months
Total Finance Cost Payments						(25,340)	–	(5,155)	

City of Cockburn

Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 28. Reserve accounts

	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$	2024 Opening Balance Budget \$	2024 Transfer to Budget \$	2024 Transfer (from) Budget \$	2024 Closing Balance Budget \$	2023 Opening Balance Actual \$	2023 Transfer to Actual \$	2023 Transfer (from) Actual \$	2023 Closing Balance Actual \$
Restricted by council												
(a) Staff Payments & Entitlements	1,762,036	-	-	1,762,036	762,036	-	-	762,036	762,036	1,000,000	-	1,762,036
(b) Plant & Vehicle Replacement	12,489,426	3,297,903	(3,883,917)	11,903,412	11,463,666	3,085,500	(4,272,367)	10,276,799	12,190,360	1,991,408	(1,692,342)	12,489,426
(c) Information Technology	3,147,908	1,500,000	(117,628)	4,530,280	1,647,908	1,500,000	(405,000)	2,742,908	1,674,702	1,500,000	(26,794)	3,147,908
(d) Major Building Refurbishment	20,348,071	1,500,000	-	21,848,071	18,001,558	1,500,000	-	19,501,558	18,113,555	2,350,000	(115,484)	20,348,071
(e) Waste & Recycling	17,965,167	7,013,363	(2,773,033)	22,205,497	16,172,610	3,822,443	(2,519,000)	17,476,053	16,226,330	6,133,456	(4,394,619)	17,965,167
(f) Land Development and Investment Fund	4,041,642	1,584,000	(3,129,483)	2,496,159	4,138,758	500,000	(800,000)	3,838,758	8,173,172	963,272	(5,094,802)	4,041,642
(g) Roads & Drainage Infrastructure	16,796,728	3,061,211	(2,555,685)	17,302,254	16,272,199	3,000,000	(3,552,071)	15,720,128	11,747,017	5,500,000	(450,289)	16,796,728
(h) Naval Base Shacks	1,291,186	150,000	-	1,441,186	1,291,186	150,000	-	1,441,186	1,261,186	30,000	-	1,291,186
(i) Community Infrastructure	39,902,481	737,758	(3,010,658)	37,629,581	30,633,329	-	(1,602,893)	29,030,436	31,702,223	10,000,000	(1,799,742)	39,902,481
(j) Insurance	2,109,607	-	(112,512)	1,997,095	1,832,364	-	-	1,832,364	2,391,204	-	(281,597)	2,109,607
(k) Greenhouse Action Fund	1,108,938	200,000	-	1,308,938	1,108,938	200,000	-	1,308,938	908,938	200,000	-	1,108,938
(l) Aged and Disabled Asset Replacement	476,874	17,250	-	494,124	474,343	-	-	474,343	465,834	11,040	-	476,874
(m) Welfare Projects Employee Entitlements	858,113	17,717	-	875,830	1,062,585	-	(20,629)	1,041,956	1,053,457	158,923	(354,267)	858,113
(n) HWRP Post Closure Management & Contaminated Sites	4,871,959	3,932,535	(383,953)	8,420,541	4,825,769	2,000,000	(60,000)	6,765,769	3,385,769	1,500,000	(13,810)	4,871,959
(o) Municipal Elections	301,420	150,000	(300,000)	151,420	151,420	150,000	(300,000)	1,420	151,420	150,000	-	301,420
(p) Port Coogee Special Maintenance - SAR	2,119,576	511,548	(371,715)	2,259,409	2,141,025	400,000	(251,681)	2,289,344	2,040,979	445,140	(366,543)	2,119,576
(q) Port Coogee Waterways - SAR	307,268	129,217	-	436,485	305,370	100,000	-	405,370	194,765	112,503	-	307,268
(r) Community Surveillance	936,514	300,000	(770,087)	466,427	780,350	300,000	(909,000)	171,350	987,870	200,000	(251,356)	936,514
(s) Waste Collection	9,920,005	532,368	(233,040)	10,219,333	9,920,005	2,000,000	(1,165,500)	10,754,505	8,312,856	1,607,149	-	9,920,005
(t) Family Day Care Accumulation Fund	-	-	-	-	11,812	-	-	11,812	11,600	275	(11,875)	-
(u) Community Infrastructure (DCA 13)	924,399	940,582	(133,762)	1,731,219	803,799	3,000,000	(2,925,602)	878,197	820,306	243,049	(138,956)	924,399
(v) Naval Base Shack Removal	881,216	81,862	(1,628)	961,450	876,537	50,000	(20,000)	906,537	826,130	55,086	-	881,216
(w) Environmental Offset	248,759	-	-	248,759	248,759	-	-	248,759	248,759	-	-	248,759
(x) Bibra Lake Management Plan	15,267	-	-	15,267	15,267	-	-	15,267	15,267	-	-	15,267
(y) Restricted Grants & Contributions	7,448,743	5,827,483	(6,084,693)	7,191,533	1,303,584	-	(19,878)	1,283,706	5,388,608	6,528,551	(4,468,416)	7,448,743
(z) CHCF Building Maintenance	12,119,212	1,263,715	(208,580)	13,174,347	12,406,747	1,000,000	(323,769)	13,082,978	11,706,747	565,221	(152,756)	12,119,212
(l) Cockburn ARC Building Maintenance	8,175,048	1,500,000	(417,236)	9,257,812	6,675,048	1,500,000	(1,770,000)	6,405,048	6,675,048	1,500,000	-	8,175,048
(j) Carry Forward Projects	15,701,406	8,759,609	(10,419,568)	14,041,447	11,224,088	-	(2,059,117)	9,164,971	12,322,168	7,414,128	(4,034,890)	15,701,406
(j) Port Coogee Marina Assets Replacement	2,298,541	300,000	(156,708)	2,441,833	1,897,071	300,000	(177,000)	2,020,071	2,084,887	300,000	(86,346)	2,298,541
(-) Port Coogee Waterways - WEMP	1,042,501	38,857	(66,270)	1,015,088	592,954	-	(75,000)	517,954	1,075,185	25,921	(58,605)	1,042,501
() Cockburn Coast SAR	124,974	70,800	(12,534)	183,240	128,358	55,000	(22,323)	161,035	85,406	50,931	(11,363)	124,974
(E) Coogee Beach Foreshore Management	118,334	1,062,185	-	1,180,519	117,706	1,000,000	-	1,117,706	-	118,334	-	118,334
(f) Developer Contribution Plans	14,652,325	2,023,829	(6,020,011)	10,656,143	14,241,877	1,105,000	(377,214)	14,969,663	12,981,170	1,942,630	(271,475)	14,652,325
(i) POS Reserve	5,172,673	477,139	-	5,649,812	5,146,123	-	-	5,146,123	5,182,134	116,232	(125,693)	5,172,673
	209,678,314	46,980,931	(41,162,701)	215,496,544	178,675,149	26,717,943	(23,628,044)	181,765,048	181,167,088	52,713,249	(24,202,020)	209,678,314

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

continued on next page ...

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City of Cockburn

Financial Report 2024

Notes to the Financial Statements
for the year ended 30 June 2024

Note 28. Reserve accounts (continued)

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

City of Cockburn

Financial Report 2024

Financial Report
for the year ended 30 June 2024

Independent Auditor's Report

Insert Independent Auditor's Report here

11.2 Infrastructure Services

11.2.1 National Greenhouse Energy Reporting Scheme (NGERS) - City of Cockburn 2023-2024 Annual Report

Executive	Director Infrastructure Services
Author	Waste Services Manager
Attachments	N/A

RECOMMENDATION

The Committee recommends Council ACCEPTS the City's 2023-2024 Emissions and Energy Report for submission to the Australian Government Clean Energy Regulator.

Background

The National Greenhouse and Energy Reporting (NGER) Scheme, established by the National Greenhouse and *Energy Reporting Act 2007* (NGER Act), is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.

All registered controlling corporations are required to submit an NGER report to the Clean Energy Regulator (CER) each year until the corporation is deregistered.

This obligation applies even if the corporation's facility falls below all reporting thresholds.

A facility reporting threshold is 25,000t CO₂-e or more of greenhouse gases carbon dioxide equivalent (CO₂-e) (scope 1 and scope 2) emissions.

Scope 1 are emissions from sources that an organisation owns or controls directly, for example from fleet fuel consumption or landfill operations (methane).

Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced. For example, the emissions caused when generating the electricity that we use in our buildings.

The City of Cockburn has been voluntarily reporting the greenhouse gas emissions from the Henderson Landfill Facility to the Clean Energy Regulator since 2009, as per section 19 of the NGER Act. Reporting is undertaken electronically through the Emissions and Energy Reporting System (EERS).

At no time has the City's HWRP facility triggered the reporting threshold of 25,000t CO₂-e.

Submission

N/A

Report

Officers have prepared the 2023/24 report for the CER, detailing the emissions, energy production and consumption data through the EERS (attached).

The table below summarises the audit findings over the last three reporting years.

Year	CO2-e
2021/22	23,734 tonnes
2022/23	21,859 tonnes
2023/24	22,781 tonnes
Total (increase from 22-23)	922 Tonnes

The report results do not trigger the safeguard mechanism, which apply to facilities with emissions of more than 100,000 t of CO2-e per year.

The majority of the City's corporate greenhouse gas emissions (53%) are generated from solid waste to landfill at Henderson Waste Recovery Park (HWRP).

In 2023 the methane power plant operated by Waste Gas Resources was sold to LMS Energy.

LMS Energy has confirmed that it is the "controlling corporation" for the purposes of NGERs reporting and that energy produced via Henderson Waste Recovery Park's Bioenergy Facility is captured under LMS' annual NGER reporting.

The City will therefore no longer include the energy produced at the Henderson Waste Recovery Park in its NGERs 2024 Report, or future Reports.

The safeguard mechanism requires Australia's largest greenhouse gas emitters to keep their net emissions below an emissions limit (a baseline) set by the CER.

The City's landfill operations are not expected to exceed 100,000t CO2-e in future reporting periods, primarily to the City's general waste going to the energy from waste plant, thereby lowering the baseline being set from the CER or potential financial implications association with offsetting emissions, such as via carbon credits.

If future landfill emissions exceed 100,000 t CO2-e, the Henderson Landfill facility will trigger the Safeguard Mechanism and from that point the CER will provide a baseline in which net-emissions levels will be assessed.

An emissions exceedance of this baseline will need to be offset through Australian Carbon Credit Units (ACCUs) or similar.

The City's Climate Change Strategy objectives include net zero emissions and zero non-hazardous waste to landfill by 2030.

Strategic Plans/Policy Implications

Environmental Responsibility

A leader in environmental management that enhances and sustainably manages our local natural areas and resources.

- Sustainable resource management including waste, water and energy.
- Address Climate Change.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is a low level of operational risk and compliance responsibilities at the HWRP through annual monitoring.

Should Council not support the voluntary reporting arrangement, the City will be unaware of its legal requirements to Report under the NGER Scheme.

Advice to Proponent(s)/Submitters

N/A

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

Nil

11.2.2 Project Update - Hammond Road Duplication - Branch Circus to Bartram Road

Executive	Director Infrastructure Services
Author	Director Infrastructure Services and A/Head of Projects
Attachments	N/A

RECOMMENDATION

The Committee recommends Council:

- (1) NOTES the Hammond Road Duplication – Branch Circus to Bartram Road Project has been practically completed and is entering a period of financial reconciliation and closeout which will include an audit and review; and
- (2) NOTES a report to the Audit Risk and Compliance Committee will be provided on the outcomes of the project audit and review.

Background

The City has recently completed construction activities on a complex and high value capital works project, Hammond Road Duplication - Branch Circus to Bartram Road.

As a project with significant time, cost and quality related risk the City will be seeking an independent (external) audit and review of the performance of this project.

The audit and review will consider each of the above matters (time, cost, quality) with a view to identify issues and potential improvements that can be made on future projects of this scale and complexity as a matter for continuous improvement of delivery practices.

This assessment is deemed critical in ensuring financial performance related obligations associated with the respective funding bodies of the project (Metropolitan Region Road Group, Roads to Recovery and the associated Developer Contribution Plan) have been correctly expended and acquitted within the project.

This assessment is also prudent in ensuring future commissions are made with improved processes in place to mitigate future financial and infrastructure-based risks.

Submission

N/A

Report

Hammond Road is classified as District Distributor (B) and extends between North Lake Road at the north end and Frankland Avenue at the south end, crossing the localities of Cockburn Central, Success and Hammond Park.

The project objective was to upgrade the existing two-lane single carriageway road between Branch Circus and Bartram Road to dual carriageway, with two lanes in each direction.

The upgrade was approximately 1.7km in length and completes the full Hammond Road duplication from Beeliar Drive to Russell Road, the project accommodates increasing traffic in the eastern suburbs of the City to deliver a road network that is safe and congestion-free.

The road upgrade included; earthworks, stormwater drainage, relocation and protection of existing services, street lighting, sewer reticulation, water supply reticulation, retaining and noise barrier walls and soft and hard landscapes.

The scope of works also included the reconstruction of sporting equipment and structures for the areas impacted by the proposed upgrade of Hammond Road

At the 9 September 2021 Ordinary Council Meeting, Council adopted RFT 12/2021 – Road Construction Services – Hammond Road Duplication (Branch Circus to Bartram Road) to accept the submission from Tracc Civil Pty Ltd to deliver the scoped of works.

The report details the breakdown of construction costs and the proposed funding model for the project, as per the extract below.

Item 15.3	OCM 9/09/2021
The breakdown of costs for the construction of Hammond Road are detailed below:	
Project Management (Inc. Tendering)	\$307,000
Concept and Detailed Design	\$70,000
Land Acquisition	\$1,181,000
Forward Works	\$2,340,550
Service Relocations	\$2,510,556
Road construction contract	\$14,064,607
Contingency	\$2,109,692
Works by Others (MRWA)	\$30,000
TOTAL:	\$22,613,405
The funding model for the construction of Hammond Road is detailed below.	
MRRG (5132)	\$8,999,541
MRRG (5131)	\$408,760
Municipal (FY23)	\$3,000,000
RTR 2020/21	\$2,080,582
Road & Drainage Reserve	\$4,023,211
DCA1 (31/3/2021)	\$4,101,311
TOTAL:	\$22,613,405

As detailed in the funding model the City was the recipient of a successful Metropolitan Regional Roads Group (MRRG) of \$9.5M, amended, for the project to commence in the 2020-2021 financial year.

The City had also attributed a portion of its Roads to Recovery and Developer Contributions revenue to this project.

A key undertaking when expending money from these sources is in financial acquittal and audit along with potential risks of any non-compliance.

The review will include liaison with the relevant funding agencies (MRRG and RTR) and the City's internal team managing the DCA1, to provide assurance to those funding sources and/or guidance on issues that may require a resolution in addition to receiving a copy of the final report.

Strategic Plans/Policy Implications

City Growth and Moving Around

A growing City that is easy to move around and provides great places to live.

- An integrated, accessible and improved transport network.

Listening and Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

The budget to undertake this review and audit will be funded from existing operational accounts within the Infrastructure Directorate.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is a medium to high level of financial and brand risk to the Council should the audit identify anomalies with securing the grants and through the acquittal process.

Advice to Proponent(s)/Submitters

N/A

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

Nil

11.3 Office of the CEO

11.3.1 Internal Review of Procurement Services - Malabar BMX Contract C100950, RFT03/2023 - Update to Council

Executive	Chief Executive Officer
Author	Risk Coordinator
Attachments	N/A

RECOMMENDATION
 That Council:

- (1) RECEIVES the update to the Internal Review of Procurement Services – Malabar BMX Contract C100950, RFT03/2023; and
- (2) REQUESTS a final report on completion of the outstanding actions via the May 2025 Audit Risk and Compliance Committee Meeting.

Background

This report is an update to the Audit, Risk and Compliance (ARC) Committee on the implementation of recommended opportunities for improvement following the Internal Review of Procurement Services - Malabar BMX Contract C100950, RFT03/2023, submitted to the ARC at its 21 May 2024 meeting.

The internal review identified 13 opportunities for improvement and associated actions. At the time of reporting to the ARC at its 21 May 2024 meeting, three actions are outstanding.

This report provides an update on the progress to complete these items.

Report

The three outstanding actions are noted below.

	Opportunity for improvement	Summary of required action	Management response and target date (as of May 2024)	Update to the December 2024 ARC meeting
6.	Procurement Framework	Procurement Services to publish on the intranet the document <i>Procurement Framework</i> .	Agreed. The Procurement Framework is being updated to reflect the revised Procurement Policy. The SLT will be consulted on the changes before publication. 13 May 2024	The updates to the Procurement Framework have been completed for internal review. The finalisation of the review process was delayed until the commencement of the Director Corporate & System Services. Once reviewed and approved it will be rolled out to all staff. Revised target date 31 March 2025.
7.	Procurement Services Intranet Webpage	Procurement Services to advertise its system on its own intranet webpage and include the published <i>Procurement Framework</i> .	While Procurement has dedicated web pages under the Finance & Procurement intranet tab link, a review with Comms will be undertaken to better structure the content. The Procurement Framework will be published on the eProcurement web page once it is endorsed. 25 November 2024	Recruitment process currently underway to employ a procurement resource to manage the change in the webpages and the associated documentation and distribution methods for all information required by procurement users. Revised target date 31 March 2025.
11.	Process Mapping	Map the current corporate procurement practices, to define the stakeholders, identify the sequential stages and processes of the City's procurement system, detail the expected timelines and arrive at a procurement process flow map.	Supported. Process mapping will be undertaken across all procurement processes and will inform the migration of the contract's module to CiAnywhere. End November 2024	Recruitment process currently underway to employ a procurement resource to document the process with the associated documentation required by procurement users. Revised target date 31 March 2025.

A common reason for requesting the revised target dates has been the under-resourcing experienced within the Procurement Services team through extended absences and unfilled vacancies.

Recruitment processes have been conducted and are continuing, although finding suitably qualified and experienced candidates has proven challenging in the current labour market.

The above table shows that all three items have had their due date revised. The finalisation of the Procurement Framework, item 6, will be an action for the Director Corporate and System Services.

The work required for Items 7 and 11 has not been able to be achieved within the constraints of existing resources.

Target dates for these items have been revised subject to recruitment for a procurement resource and are now due for completion by 31 March 2025.

Strategic Plans/Policy Implications

Local Economy

A sustainable and diverse local economy that attracts increased investment and provides local employment.

- A City that is 'easy to do business with'.

Listening & Leading

A community focused, sustainable, accountable and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

Budget provisions exist for the duration of this project.

Legal Implications

Local Government Act 1995, s3.57 Tender for providing good and services;

Local Government (Functions and General) Regulations 1996, Part 4 – Provision of goods and services, Division 2 – Tenders for providing goods or services (s.3.57).

Community Consultation

N/A

Risk Management Implications

There is a Moderate risk to the City of non-compliance with its own procurement function and the tender evaluation and award process if the recommendations in this review are not implemented.

Management has responded adequately to the recommendations, which when implemented will reduce this risk to Low.

Advice to Proponent(s)/Submitters

N/A

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

Nil

11.3.2 Legal Proceedings Between City of Cockburn and Other Parties

Responsible Executive	Chief Executive Officer
Author(s)	Risk and Governance Advisor
Attachments	1. Legal Proceedings Register Financial Year 2023-2024 (Confidential)

RECOMMENDATION

That the Committee recommends Council RECEIVES the Register of Legal Proceedings commenced or responded to by the City during the 2023-2024 Financial Year as noted in the Confidential Attachment.

Background

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

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

Submission

N/A

Report

Clause 1 *Application* of the Policy states:

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

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

A summary of the legal proceedings commenced or responded to by the City during the 2023-2024 Financial Year is provided as Confidential Attachment 1.

Strategic Plans/Policy Implications

Listening & Leading

A community focused, sustainable, accountable and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

The table below highlights the legal fees expended during 2023-2024 with commensurate, where relevant, reimbursements, fines and penalties arising from the incurring of the legal expenditure.

Name of firm	Fees Paid	% of total
CS Legal (rates & debt recovery, & court representation)	\$87,352.76	16.5
Lavan Legal Service*	\$402,407.79	76.0
Mcleods Lawyers	\$39,998.23	7.5
Total fees	\$529,758.78	100.0
Fines, penalties and recoveries income	\$117,696.68	22.2
Net fees (after fines, penalties and recoveries)	\$412,062.10	77.8
*Jandakot Road dispute	\$402,407.79	76.0
Total fees less Jandakot Road dispute	\$127,350.99	24.0
Net fees less Jandakot Road dispute	\$9,654.31	1.8

This year's total fees in relation to legal proceedings commenced or responded to by the City were \$529,758.78, while the net fees were \$412,062.10.

The City has been engaged in a protracted dispute with several claimants in relation to the Jandakot Road dispute. Costs for this dispute in FY24 were \$402,407.79.

Excluding the Jandakot Road dispute, the total legal fees are \$127,350.99 and net \$9,654.31 after the deduction of monies awarded or payable to the City.

Engaging CS Legal for rates and debt recovery, and associated court representation for FY 2023-2024, cost the City \$87,352.76, while leading to \$84,262.22 in cost recovery, a net cost to the City of \$3,090.54.

The above includes industrial relation issues, unauthorised developments, compulsory acquisition of property, untidy properties, litter, environmental health, debt recoveries for unpaid rates, and dog infringements.

Legal Implications

Part 9 Division 2 of the *Local Government Act 1995* refers.

Community Consultation

N/A

Risk Management Implications

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

Advice to Proponent(s)/Submitters

N/A

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

Nil

11.3.3 Review and Adoption - Risk Appetite, Risk Matrix and Strategic Risks

Responsible Executive	Chief Executive Officer
Author(s)	Risk and Governance Advisor
Attachments	<ol style="list-style-type: none"> 1. DRAFT City of Cockburn Risk Appetite Statement 2. DRAFT City of Cockburn Enterprise Risk Management Risk Assessment and Acceptance Criteria 3. Existing City of Cockburn Enterprise Risk Management - Risk Assessment and Acceptance Criteria 4. DRAFT City of Cockburn Strategic Risk Register 5. Existing City of Cockburn Strategic Risk Register

RECOMMENDATION

The Committee recommends Council:

- (1) ADOPTS the Risk Appetite Statement, provided as Attachment 1;
- (2) ADOPTS the revised Risk Assessment and Acceptance Criteria, provided as Attachment 2; and
- (3) ADOPTS the revised Strategic Risks, provided in Attachment 4.

Background

In December 2022 the City of Cockburn (the City) engaged Moore Australia (Moore) to conduct a risk maturity review of the City's Risk Management Framework.

The report from Moore was presented to Council, via the Audit, Risk and Compliance (ARC) Committee, at the Ordinary Council Meeting held on 8 June 2023.

In order to address the recommendations from the report, the City developed a Risk Maturity Improvement Plan (the Plan), which was reported to the ARC and Council at their respective meetings in December 2023.

The City engaged Riskwest to implement some of the work identified in the Plan. This report provides the outcomes of that work for adoption.

Submission

N/A

Report

The City engaged Riskwest to further develop the City's strategic risk register and associated risk appetite statements with the Executive Leadership Team (ELT) and Council.

Through a series of workshops, both with ELT and Council, the City's Risk Appetite Statement, a new strategic risk register, and a risk opportunity impact table, have been developed for adoption by Council. During this work, improvements to the City's risk assessment matrix have also been identified and are provided for adoption.

The development of the City's risk appetite forms part of the deliverables in the Risk Maturity Improvement Plan (the Plan), received by Council in December 2023. An update on the current status of all deliverables in the Plan is the subject of a separate report to this meeting.

Risk Appetite Statement

Risk appetite is the amount and type of risk that an organisation is willing to pursue or retain to achieve its objectives.

Determining Council's risk appetite ensures the administration aligns with Council's preferred approach when considering risk in decision-making.

Council's risk appetite is expressed in a series of statements that describe the City's attitude towards risk taking in relation to each strategic objective and category of risk.

These statements inform officers of Council's expectations for mitigating, accepting and pursuing specific types of risk, the boundaries and thresholds of acceptable risk taking, and actions to be taken or consequence for acting beyond approved tolerances.

The work conducted by Riskwest produced risk appetite statements by cross referencing the City's Strategic Community Plan five key outcome objectives with six impact categories. In each case, a level of acceptable risk is defined.

The Risk Appetite Statements developed during the risk workshops with Elected members and ELT are provided as Attachment 1 to this report.

Risk Assessment and Acceptance Criteria

Through the workshops with Elected Members and the ELT, possible improvements to the City's Risk Assessment and Acceptance Criteria were identified.

A revised draft Risk Assessment and Acceptance Criteria is provided as Attachment 2 to this report. For comparison, the City's existing Risk Assessment and Acceptance Criteria is provided as Attachment 3.

The proposed changes to the risk assessment and acceptance criteria are illustrated below:

1. Inclusion of Opportunity Impacts

The concept of risk is double-sided. This includes the possibility of both upside and downside risks, with either positive or negative effects on the achievement of objectives. ‘Opportunity’ can be used to describe an upside risk with positive impacts, and ‘threat’ can be used for downside risks with negative consequences.

Like threats, opportunities can be assessed and considered in management’s risk assessment and response.

Including opportunity impacts in the City’s Risk Assessment and Acceptance Criteria, as shown in Attachment 2, aids in aligning risk management efforts with strategic objectives by providing a clear and structured way to assess both potential threats and beneficial opportunities.

2. Minor changes to terminology and descriptors

The following changes have been made to streamline and enhance the City’s risk assessment criteria. This will support continued improvements to the City’s risk management practices.

(a) Consequence descriptors

Two consequence descriptors have been changed, as shown below. Using Major to describe the middle value had the potential to cause confusion.

Existing consequence name	Proposed consequence name
Insignificant 1	Insignificant 1
Minor 2	Minor 2
Major 3	Medium 3
Critical 4	Major 4
Catastrophic 5	Catastrophic 5

(b) Likelihood descriptors

Frequency and probability indicators have been added to the likelihood descriptors.

(c) Risk levels

Defined risk levels have been reduced from five to four by eliminating the previous middle level of “Substantial”.

(d) Impact categories

The number of impact categories have been reduced from twelve to six. The three separate project categories have been removed, as these

impacts can be assessed within the remaining categories. Similarly, Cyber Security and Fraud have been removed as these are sources or types of risk, which will have a range of impacts across the identified categories. Finally, the previous categories of Injury and Psychosocial safety have been combined as Physical or Psychological Impact.

The proposed Impact Categories are as follows:

- Reputation
- Compliance
- Environment and Heritage
- Financial
- Physical or Psychological Impact
- Organisation Performance.

(e) Criteria for management of residual risk

The criteria for management of residual risk define the reporting and responsibility for residual risks, after the application of controls. These have been clarified, modified to align with the City's current structure, and reference to alignment with the City's Risk Appetite Statements added.

(f) Controls rating

The control ratings nomenclature and description have been revised to reflect best practice.

Review of Strategic Risks

Riskwest facilitated risk assessment workshops with Elected Members and the ELT to identify and assess the City's strategic risks. The proposed 13 strategic risks, all aligned to the City's Strategic Community Plan five key outcome objectives, are provided as Attachment 4 to this report.

Following Council's adoption, these will replace the City's existing seven strategic risks, provided for reference in Attachment 5.

Generally, the proposed strategic risks expand on or provide a more up-to-date assessment of the risks identified in the City's existing strategic risk register.

Three risks included in the current strategic risk register are not captured in the proposed strategic risks. These are:

- Risk 1 Business continuity and crisis management
- Risk 3 Project management planning
- Risk 6 Technology use and change.

As these risks may more appropriately be characterised as operational, they will be re-assessed for inclusion in the City's risk register as operational risks.

Conclusion

The necessity for organisations to continually improve the suitability and effectiveness of their risk management framework is highlighted in Clause 5.7.1 of the Standard.

The risk workshops conducted by Riskwest, and the input from Elected Members and ELT, is aligned with the Standard's requirement for continual improvement.

The risk workshops have produced clear risk appetite statements for the City, improved the City's risk assessment and acceptance criteria, including by incorporating a framework for assessing opportunity impacts, and identified contemporary strategic risks for the City.

To embed these changes in the City's practice, and maintain the continuous improvement process, a review of the City's risk management policy and risk management framework will be undertaken and provided for Council adoption in early 2025.

Strategic Plans/Policy Implications

Listening and Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.
- High quality and effective community engagement and customer service experiences.

Budget/Financial Implications

N/A

Legal Implications

Under regulation 17 of the *Local Government (Audit) Regulations 1996* (the Regulations), the CEO is required to review the City's systems and procedures in relation to risk management. In accordance with regulation 16 of the Regulations, the Audit Committee is to review, monitor and advise the CEO in relation to this function.

While the subject matter of this report was not undertaken as part of a formal review, it contributes to the fulfilment of the CEO, Audit Committee and Council's functions in relation to the City's risk management.

Community Consultation

N/A

Risk Management Implications

The work facilitated by Riskwest has identified areas of improvement in the City's identification of strategic risks and risk matrix.

Riskwest engaged Elected Members and ELT in workshops to identify the identified areas of improvement, providing the basis for improving the risk culture in the organisation, and thereby, its risk maturity.

Accepting and endorsing this recommendation is deemed to be a low residual risk.

Advice to Proponent(s)/Submitters

N/A

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

Nil

City of Cockburn – Draft Risk Appetite 2024

Goal	Brand Reputation Stakeholders	Compliance	Environmental Health	Finance	Injuries	Operations / Performance / KPIs	Draft Risk Appetite Statements
<p>SG 1 Local Economy:</p> <p>A sustainable and diverse local economy that attracts increased investment and provides local employment</p>	Balanced / Moderate	Limited / Low	Limited / Low	Balanced / Moderate	ALARP	Balanced / Moderate	In pursuit of strategic goal 1, we will strive for a balanced, but measured approach to risk taking across the financial, reputation and KPI impact areas. Outcomes from business development opportunities generally lag the implementation of the initiative, so a focus on incremental improvements is required to protect any progress achieved. There is limited appetite for any compliance or environmental risk related to this area.
<p>SG 2 Environmental:</p> <p>A leader in environmental management that enhances and sustainably manages our local natural areas and resources</p>	Balanced / Moderate	Limited / Low	Balanced / Moderate	Balanced / Moderate	ALARP	Balanced / Moderate	<p>As a growth council, the goal to strive for sound environmental protection and sustainability needs to be balanced with the provision of urban growth and public infrastructure. As such we have a balanced appetite for risks relating to the achievements of our growth KPIs, due to our need to prioritise environmental protection and sustainability for future generations.</p> <p>The pursuit of growth requires moderate risk taking, both from a financial and reputation perspective, however we have a limited appetite for any risk associated with compliance in this area. There is heightened awareness in the media and community about 'green washing' as well as increasing legislation, compliance and regulation.</p> <p>Water: As a local government body, we understand and prioritise water as a rare resource. Some financial and service risk needs to be accepted in order to use water sustainably. Managing water resources, and the water table, needs to be done in a manner that balances responsible development and the protection of our environment.</p> <p>Energy: We have a balanced risk appetite in relation to energy-related risks. The City needs to be agile and adaptable to embrace new technologies and alternative energy sources. Energy management impacts our triple bottom line and therefore investing in energy initiatives is important to improve our operational efficiencies.</p> <p>Waste: Waste management is a rapidly changing and a critical operation for the City, requiring a balanced risk approach to achieve best outcomes. The City has a change journey to implement in its sustainable waste management, and accordingly will need to adopt a higher risk appetite approach in some areas to implement those changes.</p>

Goal	Brand Reputation Stakeholders	Compliance	Environmental Health	Finance	Injuries	Operations / Performance / KPIs	Draft Risk Appetite Statements
SG 3 Community, Lifestyle and Security: A vibrant, healthy, safe, inclusive and connected community	Balanced / Moderate	Limited / Low	Limited / Low	Balanced / Moderate	Limited / Low	Balanced / Moderate	In pursuit of strategic goal 3, we will adopt a balanced approach to managing financial, reputation and performance risks. This is a complex area of our operations. The City needs to be agile and responsive in working with other Agencies to meet changing Community expectations, whilst at the same time addressing increasing safety obligations and regulation associated with functional spaces, events and activities. There is limited appetite for any risk which could result in compliance breach or environmental damage.
SG 4 City Growth: A growing City that is easy to move around and provides great places to live	Balanced / Moderate	Limited / Low	Limited / Low	Balanced / Moderate	Limited / Low	Balanced / Moderate	City Growth As a growth Council, we need to consider alternative approaches to development, and encourage a greater tolerance for change across the Community. The low levels of statutory requirements that drive this area provides opportunity for innovation. To capitalise on these opportunities, moderate levels of risk relating to financial, performance and reputation can be accepted, without exposing the City to any notable compliance risk.
							Transport Network Developing the transport network is complex, and is to a large extent dependant on State and Federal Government funding. As such, a moderate risk profile across reputation, financial and service delivery risk is accepted in order to support the development of sustainable transport alternatives.
SG 5 Listening and Leading: A community focused, sustainable, accountable and progressive	Limited / Low	Limited / Low	Limited / Low	Limited / Low	ALARP	Balanced / Moderate	Governance The City places a high priority on the importance of maintaining good governance and will seek to minimise potential acts or omissions by any party that jeopardises this. The City ensures effective systems and processes are developed and applied to achieve good governance. The need to prioritise good governance may impact the ability to deliver on all planned strategic initiatives, as such moderate levels of performance risk are accepted.
	Limited / Low	Limited / Low	Limited / Low	Balanced / Moderate	Balanced / Moderate	Balanced / Moderate	Community Engagement and Service Delivery The City strives to provide a quality customer experience and has a limited appetite for risks associated with poor customer service impacting the City's reputation. However, to meet the expectations and maintain the trust of our customers, and capitalise on innovation in this area, a balanced approach to financial and KPI performance risk is necessary.
	Balanced / Moderate	Limited / Low	Limited / Low	Balanced / Moderate	ALARP	Balanced / Moderate	Employer of choice As an employer of choice, we have limited appetite for any risk which jeopardises our reputation, or results in non-compliance with Employment Laws. The safety of our staff is paramount, and any workplace risks are reduced to ALARP. However, to ensure we remain competitive, and have access to the right staff, we adopt a balanced approach to financial risks in this area.

Risk appetite definitions
ALARP – Risk must be managed to ' As Low As Reasonably Practicable '. Controls must be Fully Effective. There is no tolerance for breaches of controls or standards.
Limited – Some appetite for Low risks in this area however no tolerance for substantive risks at any time.
Balanced – Moderate levels of risk are accepted subject to there being a full understanding of the potential benefits and risks, the required authorisation is obtained, and the controls are in place and effective. Higher level of risk may be accepted where the drivers of the risk are external and outside the control of the City, provided the controls are fully effective.
Enhanced – Substantial or High levels of risk are accepted subject to there being a full understanding of the potential benefits and risks, the required authorisation is obtained, and the controls are in place and effective.

DRAFT City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria - December 2024

Risk Assessment Matrix											
Impact Level	Compliance	Environment and Heritage	Financial	Organisational Performance	Physical or Psychological Impact	Reputation	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
Significant Positive Impact 5	Beyond Compliance' approach and outcomes considered as national or international 'best practice'.	Permanent improvement in a significant ecosystem or threatened/vulnerable species (flora and/or fauna). Permanent and total benefit to a nationally and internationally valued state heritage asset.	≥ \$20 million.	Long term viability certain. All services, programs and activities being delivered effectively and efficiently. All planned outcomes achieved.	Significant and ongoing physical and/or psychological benefits to the entire Local Government	Significant, widespread and ongoing positive community response. Strong community confidence and trust in organisation's capabilities and intentions publicly expressed. High widespread positive media across multiple sources.	Low 5	Moderate 10	High 15	Extreme 20	Extreme 25
Major Positive Impact 4	'Beyond Compliance' approach and outcomes considered as 'best in sector'.	Significant beneficial impact on ecosystem/threatened species (flora and/or fauna). Large scale sustained benefit to a valued state heritage asset.	\$10m ≤ and < \$20m	Long term viability improved. Majority of critical outcomes achieved, or a single critical outcome achieved. Positive benefits sustained as part of BAU.	Widespread ongoing material physical and/or psychological benefits across the LG	Widespread positive customer or community response publicly expressed. Increased levels of confidence and trust in organisations processes and capabilities. Significant positive media attention	Low 4	Moderate 8	High 12	Extreme 16	Extreme 20
Medium Positive Impact 3	Noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly.	Medium term environmental enhancements. Significant medium term positive impact on valued heritage asset.	\$5m ≤ and < \$10m	Short- or medium-term improvements in the effective and efficient delivery of critical services or programs. Successful delivery of one or more critical outcomes with limited need to allocate greater resources	Material physical and/or psychological benefits to some areas of the LG	Positive customer or community responses publicly expressed. Improving confidence by customers, community and other stakeholders. Short term positive media / social media attention.	Low 3	Moderate 6	Moderate 9	High 12	High 15
Minor Positive Impact 2	Noticeable improvements in legal (regulatory, statutory, contractual) compliances.	Minor localised and short-term positive impact on environmental and/or heritage assets.	\$1m ≤ to < \$5m	Improvements in the effectiveness and efficiency of multiple business practices in the short term.	Physical and/or psychological benefits to areas of the LG	Positive localised community responses. Limited media, if any.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Insignificant Positive Impact 1	Isolated but noticeable improvements in legal (regulatory, statutory, contractual) impacts.	Low-level localised positive improvements or benefits.	< \$1m.	Normal business practices improved in the short term.	Physical and/or psychological benefits to individuals	Isolated individual's issue-based compliment. No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5
	Compliance	Environment and Heritage	Financial	Organisational Performance	Physical or Psychological Impact	Reputation	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
Insignificant Negative Impact 1	No noticeable regulatory or statutory impact	Low localised event with no broader environmental or heritage impacts.	<\$1 million	Impact managed through normal business practices.	No residual physical injuries. No expected psychological impact.	Isolated individual's issue-based complaint. No media coverage.	Low 1	Low 2	Low 3	Low 4	Low 5
Minor Negative Impact 2	Some temporary non compliances	Minor localised and short-term negative impact on environmental and/or heritage assets.	\$1m ≤ to <\$5m	Impact requires additional local management effort or response or redirection of resources to respond.	Minor physical injury. No Lost Time Injury (LTI). Minor psychological impact.	Local community impacts or issue-based concerns.	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Medium Negative Impact 3	Short term non-compliance but with significant regulatory requirements imposed	Short term but recoverable environmental degradation. Significant but rectifiable damage to valued heritage asset.	\$5m ≤ and < \$10m	Delays to critical operations. Administration of project or activity subject to significant review or change. One or more business objectives only partially achieved. Impact requires short term significant management and organisational resources to respond.	Reportable physical injury requiring professional treatment. Psychological impact requiring professional treatment.	Customer or community impacts and concerns publicly expressed. Reduced confidence by customers, community, and other stakeholders. Short term adverse social media.	Low 3	Moderate 6	Moderate 9	High 12	High 15
Major Negative Impact 4	Significant breach of legal obligations results in termination of activities, imposed penalties or civil actions.	Severe damage, loss or impairment (> 1 year to remediate or recover) of a significant ecosystem/threatened species (flora and/or fauna). Large scale damage or partial loss requiring long term remediation of a valued heritage asset.	\$10m ≤ and < \$20m	Sustained disruption to critical operations. Majority of business objectives only partially achieved. Impact requires long term significant management and organisational resources to respond.	Serious injury/illness requiring immediate emergency response or prolonged hospitalisation. Serious psychological injury requiring medium/long term professional medical treatment, counselling, or intervention.	Considerable and prolonged customer or community impact and dissatisfaction publicly expressed. Criticism and loss of confidence and trust in organisations processes and capabilities. Organisation's integrity in question. Significant media attention / prolonged social media campaign. Council intervention.	Low 4	Moderate 8	High 12	Extreme 16	Extreme 20
Catastrophic Negative Impact 5	Severe breach of legal obligations results in criminal charges or loss of required operating licenses.	Permanent loss of significant ecosystem or threatened/vulnerable species (flora and/or fauna). Permanent, total and irreplaceable loss of national and internationally valued state heritage.	≥ \$20 million	Total loss of critical operations. Non achievement of all business objectives. Impact cannot be managed within the organisation's existing resources and threatens survival of the organisation.	Death or severe permanent disablements. Permanent/long term psychological damage requiring extensive remedial intervention.	Significant adverse community impact and condemnation. Consistent ongoing community loss of confidence and trust in organisation's capabilities and intentions. High widespread media across multiple sources.	Low 5	Moderate 10	High 15	Extreme 20	Extreme 25

Likelihood Descriptor	Description
Rare 1	The event may occur only in exceptional circumstances. < Once in 5 years. Probability <5%
Unlikely 2	The event could occur at some time. At least once in 5 years. Probability 5-25%
Possible 3	The event should occur at some time. At least once in 3 years. Probability 25-75%
Likely 4	The event will probably occur in most circumstances. Once per year. Probability 75-95%
Almost certain 5	The event is expected to occur in most circumstances. > More than once per year. Probability >95%

Level of Risk	Criteria for managing of residual risk	Reporting to	Who is responsible
Low (1-5)	Acceptable with adequate controls (subject to alignment with risk tolerance and appetite)	Annual reporting to Audit, Risk and Compliance Committee.	Risk owner
Moderate (6-11)	Acceptable with adequate controls (subject to alignment with risk tolerance and appetite)	Annual reporting to Audit, Risk and Compliance Committee.	Risk owner
High (12-15)	Requires excellent controls Refer to CEO/Director for acceptance decision.	Monthly reporting to CEO. Quarterly reporting to Audit, Risk and Compliance Committee.	CEO/Director
Extreme (16-25)	Unacceptable Refer to Council/CEO for next steps.	Immediate and ongoing reporting to CEO, Audit, Risk and Compliance Committee, and Council.	Council/CEO

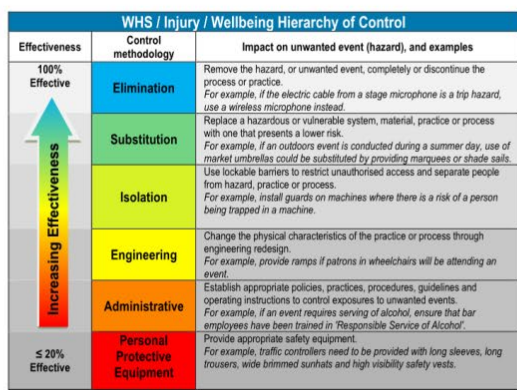
Control Ratings		
Level	Descriptor	Description
R	Robust	Controls are adequate and fully effective. Overall control environment provides strong assurance that the risk is being managed. Control objectives are being met and no material improvements to controls have been identified.
A	Adequate	A few specific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

City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria

Risk Assessment Matrix																	
Consequence / Severity	Risk Category											Likelihood / Probability					
	Brand Reputation	Compliance	Cyber Security	Environmental Health	Finance	Fraud	Injury	Operations / Delivery Disruptions	Project			Psychosocial safety	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
									Quality	Cost	Time		Theoretically such an event is possible but not expected to occur during an operation / asset life / project.	Possible that such an event may occur once during operation / asset life / project.	Such an event may occur more than twice during an operation / asset life / project.	Such events may occur frequently during an operation / asset life / project.	Such events are expected to occur routinely during an operation / asset life / project.
Insignificant 1	Low impact. Low profile. No complaint.	Minor breach of policy / process requiring some response with little impact on other criteria.	Scanning or reconnaissance. Negligible effect on organisation.	An insignificant environmental event that can be immediately corrected under the control of the City.	< \$50,000 or < 5% of OP. Little or no impact on asset.	Single opportunistic dishonest activity or asset misappropriation. Internal or external.	Minor first aid.	Little impact. Business as usual < 5% variation against KPI.	Majority of milestones and objectives being achieved with minor variation to scope and/or quality reported. Minor impact absorbed through project.	< 5% of Project Budget or < \$50,000 whichever is lower.	< 5% of Project Timeline or < 30 days whichever is lower.	Activation of HR / WHS or Mental Health First Aider process.	Low 1	Low 2	Low 3	Low 4	Moderate 5
Minor 2	Low impact. Low profile. Low media attention. Possible complaint.	Compliance breach of policy / process requiring additional work or minimal damage control.	Low-level malicious attack; targeted reconnaissance, phishing, non-sensitive data loss. Causes spurious real time systems slowing for organisation.	A minor environmental event that can be corrected through system improvements within the City.	\$50k to < \$250k or 5% to < 10% of OP. Minor loss or damage.	Theft of confidential or personal information, or intellectual property. Repetitive dishonest activity or asset misappropriation. Internal or external.	Medical treatment. No Last Time Injury (LTI).	Minor impact. Easily dealt with. Still business as usual. 5 to < 10% variation against KPI.	Minor impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Disruptive impact on project deliverables expected.	5% to < 10% of Project Budget or < \$250k, whichever is lower.	5% to < 10% of Project Timeline or 30 to < 60 days, whichever is lower.	Unplanned absence of < 2 weeks.	Low 2	Low 4	Moderate 6	Moderate 8	Substantial 10
Major 3	Moderate impact. Moderate media attention. Public complaint.	Compliance breach requiring investigation, remediation or restitution and breach of legislation or regulations.	Malware, beaconing or other active network intrusion; temporary system / service disruption. Loss of confidentiality, integrity, or availability causes limited effect on organisation.	A moderate environmental event that can be remediated but requires multiple stakeholder input.	\$250k to < \$1m or 10% to < 25% of OP. Major damage to asset.	Falsifying financial or procurement records to obtain an improper or financial benefit. Internal or external.	Medical treatment with TI and / or work restriction > 2 weeks.	Some objectives affected. Can continue business as usual, with minor controls executed. 10 to < 25% variation against KPI.	Major impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Serious impact on project deliverables expected.	10% to < 25% of Project Budget or < \$250k to < \$1m, whichever is lower.	10% to < 25% of Project Timeline or 60 to < 90 days, whichever is lower.	Unplanned absence of > 2 weeks, or Workers' Compensation case.	Low 3	Moderate 6	Moderate 9	Substantial 12	High 15
Critical 4	Damage to reputation. Public embarrassment. High media attention. Several public complaints. Third party legal action.	Compliance breach involving external investigation or third party actions resulting in tangible loss or reputation damage to the City and breach of legislation or regulations.	Exfiltration or deletion / damage of key sensitive data or intellectual property. Loss of confidentiality, integrity, or availability causes some adverse effect on organisation.	A significant environmental event where rehabilitation involves multiple stakeholders and various levels of the community and government.	\$1m to < \$5m or 25% to < 50% of OP. Significant loss of asset.	Persistent planned or systematic dishonest activity or asset misappropriation. Internal or external.	Partial disablement or severe injury, or reportable to WorkSafe.	Some major objectives cannot be achieved. Business can still deliver, but not to expected level. 25 to < 50% variation against KPI.	Major impact on milestones and objectives being achieved with significant variation to scope and/or quality reported. Critical impact on project deliverables expected.	25% to < 50% of Project Budget or < \$1m to < \$5m, whichever is lower.	25% to < 50% of Project Timeline or 90 to < 120 days, whichever is lower.	Extended leave from chronic unmanaged work related issues.	Low 4	Moderate 8	Substantial 12	High 16	Extreme 20
Catastrophic 5	Irreversible damage to reputation. Very high level of public embarrassment. Very high media attention. Many public complaints.	Compliance breach involving regulatory investigation and / or third party actions resulting in tangible loss or significant reputation damage to the organisation and breach of legislation or regulations.	Sustained disruption of essential systems and associated services. Loss of confidentiality, integrity, or availability causes serious adverse effect on organisation.	A severe environmental event requiring multiple stakeholders, all levels of the community and government to remediate.	≥ \$5 million or ≥ 50% of OP. Complete loss of asset.	Intrusive losses of significant assets or resources through dishonesty, deception or corrupt use of powers causing significant damage to the financial position of the organisation.	Death or permanent disablement.	Most objectives cannot be achieved. Business cannot operate. ≥ 50% variation against KPI.	Catastrophic impact on milestones resulting in the failure to achieve one or more objectives of the project.	≥ 50% of Project Budget or ≥ \$5 million, whichever is lower.	≥ 50% of Project Timeline or ≥ 120 days, whichever is lower.	Self-harm. Death. Employee resignation leading to loss of experience and expertise to the organisation.	Moderate 5	Substantial 10	High 15	Extreme 20	Extreme 25

Risk Acceptance Criteria			
Risk Level	Criteria	Treatment	Responsibility
Low	Risk acceptable with adequate controls, managed by routine procedures. Subject to annual monitoring or continuous review throughout project lifecycle.	Management through routine operations/project. Risk Registers to be updated.	Head of Business Unit / Manager of Service Unit / Project Manager
Moderate	Risk acceptable with adequate controls, managed by specific procedures. Subject to semi-annual monitoring or continuous review throughout project lifecycle.	Communication and awareness of increasing risk provided to Head of Business Unit / Manager of Service Unit. Risk Registers to be updated.	Head of Business Unit / Manager of Service Unit / Project Manager
Substantial	Accepted with detailed review and assessment. Action Plan prepared and continuous review.	Assess impact of competing Business Unit / Service Unit Projects. Potential redirect of Business Unit / Service Unit resources. Risk Registers to be updated.	Director / Steering Committee
High	Risk acceptable with effective controls, managed by Senior Leadership Team Member. Subject to quarterly monitoring or continuous review throughout project lifecycle.	Escalate to CEO, report prepared for Audit, Risk and Compliance Committee (ARC). Quarterly monitoring and review required. Risk Registers to be updated.	Director / Steering Committee / Project Sponsor
Extreme	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring.	Escalate to CEO, report prepared for ARC. Monthly monitoring and review required. Risk Registers to be updated.	CEO / Council / Project Sponsor

Existing Control Ratings		
Rating	Foreseeable	Description
Effective	Doing more than what is reasonable under the circumstances.	1. Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; and 2. Subject to continuous monitoring and regular testing; and 3. Any control improvements that can be implemented have minimal impact on operations.
Adequate	Doing what is reasonable under the circumstances.	1. Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; and 2. Subject to continuous monitoring and regular testing; and 3. Control improvements may be implemented.
Inadequate	Not doing some or all things reasonable under the circumstances.	1. Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; and 2. Controls not operating as intended and have not been reviewed and tested; and 3. Existing controls need to be improved.



DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis			Current Risk Assessment (Residual) Risk Rating					Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes	
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating					Level of Risk
1.	SG: All	SG 1.1 Financial sustainability Failure to ensure the financial viability and long term sustainability of the City	<ol style="list-style-type: none"> Ineffectiveness in long term financial planning (LTFP) including poor modelling/unrealistic assumptions Insufficient financial capacity/reserves to deal with demographic and market fluctuations Uncertainty over financial obligations associated with developer contracts and grants funding Poor financial governance and management Overreliance on rate income / Insufficient diversification / alternate income streams Failure to forecast and mitigate significant financial shocks Council deviation from Financial Strategy. 	Community dissatisfaction Reputational impact Operational performance impact	<ol style="list-style-type: none"> Integrated Planning and Reporting Framework [includes; SCP, CBP, Services Reviews, Project Plans (CAPEX/OPEX), integration with LTFP, WFP, AMPs] Long Term Financial Plan [includes annual review] Financial management reporting Budget Process and Review Rating Strategy Reserve Strategy Financial sustainability policies (including Investment Policy, Liquidity Policy etc) Financial Governance (including statutory reporting/monitoring) Internal / External Audit Financial Training for Elected Members and Administration. 	R	Reputation Operations Stakeholder Impact	Major 4	Unlikely 2	Moderate 8	ACCEPT	Director Corporate and System Services	<ol style="list-style-type: none"> Internal Audit Plan Annual review of LTFP Reserve Strategy (maturity and development) 	
2.	SG 1: Local Economy A sustainable and diverse local economy that attracts increased investment and provides local employment	SG 1.2 Economic Development (ED) Failure to engage and partner with business and development stakeholders to promote, advocate and support opportunities to live, work and invest in the City	<ol style="list-style-type: none"> Failure to identify relevant ED priorities Insufficient budget allocated to support ED activities Lack of support from Federal or State Government for economic initiatives Economic development strategies fail attract and support commercial investment Insufficient promotion of the City, its strengths and achievement Commercial vs residential land availability issues Infrastructure planning and development not aligned with economic development objectives 	Community dissatisfaction Reputational impact Stakeholder impact Operational performance impact	<ol style="list-style-type: none"> Economic Development Framework Integrated Planning and Reporting Framework Advocacy Priorities Strategic Asset Management Plan/Land Management and Asset Strategies (including SAMP) Relationships with Local Businesses and Associations (including tenants) Local Planning Strategy, Schemes and Policies Small business friendly approvals 	R	Operations Reputation	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Planning and Sustainability	<ol style="list-style-type: none"> AMPS review 2028 Strategic Asset Management Plan Review Local Planning Strategy 2029 	

DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis			Current Risk Assessment (Residual) Risk Rating					Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes	
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating					Level of Risk
3.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.1 Environmental Protection and Management Council plans, decision making processes and/or activities fail to effectively and responsibly support the management, protection and improvement of its natural environment (areas, bushlands, parks and open spaces)	1. Lack of internal capability and capacity (including dedicated resources) 2. Lack of clear strategy, direction and focus 3. Competing priorities 4. Changing complex legislative and policy environment 5. Increasing community expectations and focus	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met Degradation or loss of the natural environment	1. Integrated Planning and Reporting Framework 2. Local Planning Strategy, Schemes and Policies 3. Natural Area Management Strategy 4. Climate Change Strategy 5. Sustainability Policy 6. Environmental Management Policies and Plans (including Biodiversity Plans) 7. Community events and education promotion	R	Reputation Operations Environment	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Planning and Sustainability	1. Implement Natural Area Management Strategy 2. Monitor and report on Climate Change Strategy	
4.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.2a Sustainable Resource Management - Water Failure to manage both the use of and impact on water supply across the City's activities in a sustainable and responsible way.	1. Natural limitations e.g. reducing water availability, a drying climate. 2. Changes to Government Water Policy 3. Reduction in ground water allocations 4. Lack of or incomplete information relating to water usage across the City 5. Insufficient priority/focus 6. Lack of internal capability and capacity (including dedicated resources)	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met	1. Local Planning Policies (including Urban Water Management) 2. Irrigation Control Systems 3. Waterwise Council Action Plan - (monitors and reports usage and includes water efficiency projects) 4. Water Supply Strategy (with DWER - groundwater supply and regulation) 5. Integrated Planning and Reporting Framework (specifically service reviews and service levels connected to enviro impact) 6. Climate Change Strategy 7. Sustainability Policy	R	Reputation Operations Environment	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Planning and Sustainability	1. Waterwise Council Action Plan and accreditation as a Gold Waterwise Council 2. Monitor and report on Climate Change Strategy	
5.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.2b Sustainable Resource Management - Energy Failure to manage the use of energy across the City's activities in a sustainable and responsible way.	1. Lack of or incomplete information relating to energy usage across the City 2. Lack of clear target/strategy for energy efficiency and increase in renewable sources 3. Insufficient education relating to targets, consumption and alternate options 4. Insufficient priority/focus 5. Lack of internal capability and capacity	Community dissatisfaction Reputational impact Sustainability and net zero targets not met	1. Integrated Planning and Reporting Framework (specifically service reviews and service levels connected to energy usage) 2. Climate Change Strategy (includes mitigation actions and targets) 3. Greenhouse Action Fund (for emissions reduction projects) 4. Sustainability Policy 5. Environmentally Sustainable Design (ESD) Requirements.	R	Reputation Operations	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Planning and Sustainability	1. Monitor and report on Climate Change Strategy 2. Complete annual corporate Emission Inventory Report 3. Maintain a sustainability reporting system 4. Implement the Sustainability Policy including the ESD Requirements 5. Reserve fund for Climate Mitigation utilised.	

DRAFT City of Cockburn Strategic Risk Register

Risk Identification & Analysis					Current Risk Assessment (Residual) Risk Rating									
Risk No.	Risk Context	Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk	Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes
			(including dedicated resources)											
6.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.2c Sustainable Resource Management - Waste Failure to manage waste across the City's activities in a sustainable and responsible way.	1. Impact of changing waste management landscape (WZE) not well understood, both short term and long term. 2. The City's strategic view may not be aligned with other levels of government (e.g. FOGO). 3. Lack of clear waste management strategy and targets 4. Inability to deliver on waste management targets / legislation and finding does not support move towards a circular economy 5. Reluctance of community to change behaviours re waste management, and lack of waste education 6. City out of step with other local governments - e.g. number of bins, FOGO and verge collections	Community dissatisfaction Reputational impact Sustainability and net zero targets not met Degradation of the natural environment	1. Engagement of specialists to inform strategy, decision making and operations 2. Waste Management Strategy 3. Integrated Planning and Reporting Framework (specifically service reviews and service levels connected to waste) 4. Climate Change Strategy (s 4. waste) 5. Sustainability Policy (Principle 4) 6. Waste Wise Events Policy	I	Reputation Operations Reputation Environment Compliance	Major 4	Likely 4	Extreme 16	REDUCE	Chief Executive Officer	1. Waste Strategy Review 2. Active engagement with administrators of East Rockingham Waste to Energy. 3. Retention of sufficient "airspace" capacity at the Henderson Waste Recovery Park Facility for short to medium term delay in commissioning of waste to energy. 4.FOGO continues to be assessed and presented back to Council once further information is released by the WA State Government.	The assessment of this risk is largely driven by East Rockingham Waste to Energy entering administration The assessment of this risk will be revisited in 6 months with the benefit of more detailed information from the Administrators
7.	SG 2: Environmental Responsibility A leader in environmental management that enhances and sustainably manages our local natural areas and resources	SG 2.3 Climate Change Failure to manage both the impact of climate change, as well as the impact the City has on the driver of climate change	1. Lack of understanding and preparedness to respond and adapt to climate change impacts 2. Lack of understanding (and measurement) of how the City's activities and decisions contribute to the drivers of climate change. 3. Lack of funding to respond 4. Insufficient non-financial resources and focus 5. Lack of clear target/strategy for carbon reduction / reductional fossil fuel usage	Community dissatisfaction Reputational impact Breakdown of assets Sustainability targets not met Degradation of natural environment Decline in community health and wellbeing Low adaptive capacity	1. Climate Change Strategy 2. Climate Change Risk Assessment 3. Emergency Management Breakdown of Assets and Arrangements 4. Integrated Planning and Reporting Framework 5. Coastal Hazard Risk Management and Adaptation Planning (CHRMAP) (Coastal erosion - Fringing reef, sand nourishment, foreshore management plans) 6. Public Health Plan (prepare for and adapt to outcomes) 7. Local Planning Strategy 8. Urban Forest Plan 9. Waterwise Council Action Plan 10. Natural Area Management Strategy 11. Sustainability Policy	R	Reputation Operations Environment	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Planning and Sustainability	1. Monitor and report on the Climate Change Strategy	

DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis				Current Risk Assessment (Residual) Risk Rating					Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes	
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk					
					12. Waste Wise Events Policy										
8.	<p>SG 3: Community, Lifestyle and Security</p> <p>A vibrant, healthy, safe, inclusive and connected community</p>	<p>SG 3 Community, Lifestyle and Security</p> <p>Failure to plan for, provide and support socially connected, healthy and safe neighbourhoods</p>	<ol style="list-style-type: none"> Demographic information not accurate or understood Poor consultation with the community Failure to respond to societal / cultural trends and changing community focus (e.g. through lack of agility); Inadequate engagement with developers and other stakeholders who invest in our areas Failure to recognise, incorporate and celebrate diversity of cultural and heritage values Lack of consideration of community safety in the design of services, programs, events, buildings and infrastructure; Lack of clarity over interface with other 'safety' focussed organisation e.g. Police, NGOs etc Missed opportunity to take a more proactive approach to community safety / perception that the City is overstepping its role 	<p>Community dissatisfaction</p> <p>Reputational impact</p>	<ol style="list-style-type: none"> Community Scorecard Integrated Planning and Reporting Framework (environmental scanning process) Community Engagement Policy/Charter (Customer Satisfaction Survey) Community Infrastructure Planning (CIP) (includes needs analysis) Local Planning Strategy, Schemes and Policies Community Safety and Crime Prevention Plan (including Community Safety Service (CoSafe)) Reconciliation Action Plan Disability Access and Inclusion Plan Youth Plans Promotion of Community events and initiatives Public Health Plan Community Development Plan Volunteer Strategy 	R	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Community and Place	1. Review of CoSafe completed with transition to in house Co Safe model expected to be completed by Dec 2024		
9.	<p>SG 4: City Growth and Moving Around</p> <p>A growing City that is easy to move around and provides great places to live</p>	<p>SG 4 Infrastructure and Assets</p> <p>Failure to strategically plan, deliver and maintain infrastructure and assets to support the City's community aspirations and predicted growth</p>	<ol style="list-style-type: none"> Aging facilities / legacy issues with existing assets; Lack of forward/lifecycle planning and maintenance Lack of understanding on future needs; Disconnect with Council over future infrastructure and asset needs; Asset management planning not aligned with boarder strategic objectives 	<p>Community dissatisfaction</p> <p>Reputational impact</p> <p>Operational performance impact</p>	<ol style="list-style-type: none"> Integrated Planning and Reporting framework Land Management and Asset Strategies Community Engagement Policy/Charter (Community Scorecard) Local Planning Strategy, Scheme and Policies (inclusive of development contribution plans) Advocacy Priorities Community Infrastructure prioritisation (Community Wide Infrastructure planning process, Youth 	A	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Infrastructure Services	<ol style="list-style-type: none"> Strategic Asset Management Plan Review of Local Planning Strategy Review Integrated Transport Strategy 		

DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis			Current Risk Assessment (Residual) Risk Rating					Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes	
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating					Level of Risk
			6. Planning fails to consider then impact of climate change; 7. Plans are not executed; 8. Reliance on state government strategy and planning to set the direction for major transport routes.		Infrastructure Strategy, CIP and CSRFP) 7. Transport Planning (Integrated Transport Strategy and District Transport Study, Parking Plan) 8. Master planning process (e.g. Coogee Beach masterplan, trails) 9. Coastal Hazard Risk Mitigation Adaptation Plan 10. Asset Management Plan									
10.	SG 4: City Growth and Moving Around A growing City that is easy to move around and provides great places to live	SG 4. Transport Failure to strategically plan, deliver and maintain an integrated, improved and accessible transport network, to support the City's community aspirations and predicted growth	1. Limitations around what is a State v LG responsibility / issues around lack of role clarity (i.e. Public transport networks). 2. Reliance on state government strategy and planning to set the direction for major transport routes. 3. Change in mode of transport e.g. shared car ownership, auto vehicles, aging population increasing use of personal mobile devices, use of alternative vehicles such as e-scooters/e-bikes (especially amongst younger demographic). 4. Lack of funding for asset management 5. Challenges to secure Federal/State investment for significant upgrades to roads and intersections that influence community perceptions 6. Impact of outer harbour on road network 7. Community lack of understanding of roles and responsibilities for LG/State etc - sphere of influence. 8. Long term nature of transport planning leads to financial planning and forecasting uncertainty.	Congestion causing frustration for commuters/other workers Reputational impact Operational performance impact	1. Integrated Planning and Reporting framework 2. Advocacy Priorities 3. Community Engagement Policy/Charter (Community Scorecard) 4. Transport Planning (Integrated Transport Strategy and District Transport Study, Parking Plan, Road Network Upgrade Plan, Bicycle network and Footpath Plan, Trails masterplan, Walking and Cycling Plan, Road Safety Plan, Travel smart Action Plan)	A	Reputation Operations Stakeholder impact	Medium 3	Possible 3	Moderate 9	ACCEPT	Director Planning and Sustainability	1. Community Engagement 2. Strategic Asset Management Plan	

DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis			Current Risk Assessment (Residual) Risk Rating				Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes		
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating					Likelihood Rating	Level of Risk
11.	<p>SG 5: Listening and Leading</p> <p>A community focused, sustainable, accountable and progressive</p>	<p>SG 5.1 Governance</p> <p>Failure to ensure ethical and accountable governance and decision-making at the City</p>	<ol style="list-style-type: none"> Lack of training and education to support understanding of governance requirements and roles; Inadequate framework to support alignment of actions with strategic vision; Frequent changes in strategic direction; Ineffective communication between Council and Administration; Non-compliance with Council policies and legislative requirements; Short term focus in decision making, impacting longer term sustainability focus; Lack of stability within the Administration; Variability in the effectiveness of leadership 	<p>Reputational impact</p> <p>Operational performance impact</p> <p>Compliance impact</p>	<ol style="list-style-type: none"> Integrated Planning and Reporting Framework (council-led business planning process) Legislative framework Governance Framework Elected Member Code of Conduct Committees of Council and Reference Groups Council Induction and Training (including mandatory) EM Communications Policy Complaints Procedure 	R	Reputation Operations Stakeholder impact Compliance	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Chief Executive Officer	<ol style="list-style-type: none"> Governance Improvement Plan 2024-2026 Risk Maturity Improvement Plan 2022-2027 ABEF 2024-2026 ELT & EM Strategic Planning 2024 	The Governance Improvement Plan details deliverable actions which will add to existing controls once delivered.
12.	<p>SG 5: Listening and Leading</p> <p>A community focused, sustainable, accountable and progressive</p>	<p>SG 5.2 Community Engagement and Service Delivery</p> <p>Failure to deliver quality and responsive services, which meet the needs and expectations of the community</p>	<ol style="list-style-type: none"> Lack of agreement and understanding of stakeholders and their expectations; Ineffective engagement with the community or key stakeholders; Inadequate internal systems and processes to manage stakeholders (CRM) Misalignment between Council expectations and the administration Differing views/priorities of the community Failure to align and integrate the planning and delivery of City's services and activities to achieve the City's strategic objectives City/Council lack of understanding of the value of the service to the customer 	<p>Community dissatisfaction</p> <p>Reputational impact</p> <p>Operational performance impact</p>	<ol style="list-style-type: none"> Integrated Planning and Reporting Framework (agreed service plans) Community Engagement Policy/Charter (Community Scorecard) Customer Request Process (no formal CRM) Comment on Cockburn (engagement channel) Media monitoring Stakeholder Engagement and Management 	R	Reputation Operations Stakeholder impact	Medium 3	Unlikely 2	Moderate 6	ACCEPT	Director Community and Place	<ol style="list-style-type: none"> Undertake annual review of agreed Service Plan. Review Community Engagement Policy/Charter annually Ensure Community Scorecard information is reviewed and actioned Monitor feedback received through Comment on Cockburn (engagement channel) 	

DRAFT City of Cockburn Strategic Risk Register

Risk No.	Risk Context	Risk Identification & Analysis			Current Risk Assessment (Residual) Risk Rating					Risk Strategy (i.e., ACCEPT, TOLERATE, REDUCE / IMPROVE CONTROLS)	Risk Owner	Treatment Action Plans (TAPs)	Notes	
		Risk Description	Possible Causes	Potential Consequences	Existing Controls	Control Rating: R = Robust A = Adequate I = Inadequate	Consequence Category	Consequence Rating	Likelihood Rating					Level of Risk
13.	<p>SG 5. Listening and Leading</p> <p>A community focused, sustainable, accountable and progressive</p>	<p>SG 5.3 Employer of choice</p> <p>Inability to develop and maintain a competent, capable and culturally aligned workforce</p>	<ol style="list-style-type: none"> 1. Workforce skills, experience and capability not aligned with the services/functions/operations of the City 2. Inability to attract and retain staff (e.g. Increasing market remuneration levels / Lack of availability of workforce in the market) 3. Failure to capitalise on the City's strong value proposition that results in perception of an unappealing workplace, poor culture and low engagement; 4. Workforce fatigue as a result of workforce and ongoing change 5. Lack of development and ongoing training opportunities / lack of career-paths; 6. Over-reliance on key personnel; 7. Ageing workforce / intergenerational challenges 8. Insufficient knowledge sharing/succession planning; 9. Inefficient systems and processes 10. Pressure on resources to meet increasing community and stakeholder expectations of being a growth council and industry leader 	<p>Reputational impact</p> <p>Operational performance impact</p> <p>Inability to capitalise on opportunities (i.e., funding, delivery)</p>	<ol style="list-style-type: none"> 1. Integrated Planning and Reporting Framework 2. Workforce Plan 3. People Experience Management Framework (includes corporate HR governance and engagement mechanisms) 4. Professional Development Process 5. Employee Value Proposition 6. Internal Communications 7. Code of Conduct 8. Enterprise Agreement 9. Leadership development (includes succession planning, career progression framework, leadership capability framework) 10. Reward and recognition framework 11. Organisational vision and values and cultural alignment 	R	Reputation Operations	Medium 3	Possible 3	Moderate 9	ACCEPT	Chief Executive Officer	<ol style="list-style-type: none"> 1. Undertake annual performance and development planning with workforce to identify and build on capability shortcomings - undertaking annually from August to October. 2. Ensure the development and delivery of programs that foster a sense of belonging and value to attract and retain employees - delivered as part of annual program of works that is developed utilising engagement survey data and market trend analysis. 3. Undertake the development of career mapping for whole of business to ensure that single points of failure are identified and mitigated and that succession planning principles are embedded as business as usual - succession planning will form component of Leadership Capability Framework (due for deployment January 2025). 4. Ensure that strategies are developed for all generations in the workplace (i.e., flexible working, career development, transition to retirement) - review of current framework due by 30 June 30, 2025 (will include development of new documents as required). 	

City of Cockburn Strategic Risk Register

Risk No.	Title	Description	Residual risk	Amended residual risk, after Riskwest report	Risk owner
1	Business continuity and crisis management	Failure to provide business continuity of the City's core services in the event of a major crisis / emergency.	Moderate 9	Moderate 9	Chief Executive Officer
2	Strategic direction	Lack of clear and aligned strategic vision, direction and implementation.	Moderate 8	Moderate 8	Director Corporate and System Services
3	Project management planning	Failure to consistently plan for capital works projects.	Moderate 8	Moderate 8	Director Infrastructure Services
4	Stakeholder relationships	Failure to develop and maintain strategic partnerships and relationships with government agencies and other key stakeholders.	Moderate 9	Moderate 9	Director Corporate and System Services
5	Built and natural environment	Failure to maintain the City's built and natural environment and resources in a sustainable manner.	Moderate 9	Moderate 9	Director Planning and Sustainability
6	Technology use and change	Failure to identify, manage and capitalise on the effective and efficient use of changing technology.	Moderate 8	Moderate 8	Director Corporate and System Services
7	Financial sustainability	Erosion of Council's financial sustainability.	Moderate 8	Moderate 8	Director Corporate and System Services

11.3.4 Quarterly Risk Register Update

Executive	Chief Executive Officer
Author	Risk and Governance Advisor
Attachments	<ol style="list-style-type: none">1. City of Cockburn Enterprise Risk Management - Risk Matrix2. Strategic Risks - Update3. Risk Rated Substantial and Higher - Update

RECOMMENDATION

That Council RECEIVES the Quarterly Strategic and Operational Risk Report.

Background

This report provides an update to the Audit, Risk and Compliance Committee (the ARC) on the City of Cockburn (the City) Risk Register, for the period September 2024 to December 2024 (the reporting period).

A previous report was submitted to the ARC at its 17 September 2024 meeting.

The 17 September 2024 report to the ARC included an update on the demise of RMSS, which was the City's cloud-based online Enterprise Risk Management (ERM) solution.

During the reporting period, the City has uploaded an Excel-based Risk Register into a SharePoint folder. The information presented in this report has been extracted from this SharePoint folder.

This report may be the last to discuss the current seven strategic risks, pending adoption by the ARC of the proposed new strategic risks identified by Riskwest in workshops with Elected Members and the Executive Leadership Team held during April to August 2024.

Submission

N/A

Report

The risk level cited in this report to the ARC is the Residual Risk, which is the risk remaining after management has taken action to alter its severity by implementing risk treatment measures.

As of 18 November 2024, there were 241 risks in the City's Risk Register. The City's highest rated risk is rated High and is climate change related.

The elevated rating of climate related risks is replicated across Australian local governments, with Disaster, Catastrophic Events and Climate Change and Adaptation ranked in the top 10 risks [JLT Public Sector Risk Report, JLT Risk Solutions Pty Ltd].

Attachment 1 to this report is the current City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria.

The Risk Assessment Matrix is used for risk analysis and evaluation, comprehending the nature of the risk, and determining the level of risk exposure (likelihood and consequence). It was used for re-evaluating the above risks.

There has been no adjustment to the risk assessment and acceptance criteria since the last report to the ARC. However, proposed new risk assessment and acceptance criteria, developed in facilitated workshops with Elected Members and the Executive Leadership Team held during April to August 2024, are the subject of a separate report.

The following attachments summarise updates to Strategic Risks, and Risks Rated Substantial and Higher.

Attachment 2 to this report is the Strategic Risks - Update as of 18 November 2024.

Strategic risks reflect the internal and external forces capable of threatening the City's ability to achieve its strategic objectives or affect its long-term positioning and performance.

This attachment outlines each strategic risk and provides progress and notes on the management of each risk.

All 7 current strategic risks are ranked Moderate Risks, and there has been no change to the risk level or number during the reporting period.

This is expected to be the final report on this version of the City's strategic risks, as Elected Members and the Executive Leadership Team have developed a proposed new strategic Risk Register, which is the subject of a separate report.

The proposed new register reflects an up-to-date assessment of the City's strategic risks.

Three risks included in the current strategic Risk Register may more appropriately be characterised as operational and will be re-assessed for inclusion in the City's Risk Register as operational risks. These are:

- Risk 1 Business continuity and crisis management
- Risk 3 Project management planning
- Risk 6 Technology use and change.

Attachment 3 to this report is the Risks Rated Substantial and Higher - Update as of 18 November 2024.

This attachment outlines each risk rated Substantial and higher and provides progress and notes on the management of each risk.

The City's Risk Register currently contains 10 risks rated Substantial and higher, including one (1) risk rated High - all are operational risks, and there has been no change to the risk level or number during the reporting period.

Strategic Plans/Policy Implications

Listening and Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.
- Employer of choice focusing on equity, innovation and technology.

Budget/Financial Implications

N/A

Legal Implications

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

Community Consultation

N/A

Risk Management Implications

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

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

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

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

Advice to Proponent(s)/Submitters

N/A

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

Nil

City of Cockburn Enterprise Risk Management - risk assessment and acceptance criteria

Risk Assessment Matrix																	
Consequence / Severity	Risk Category											Likelihood / Probability					
	Brand Reputation	Compliance	Cyber Security	Environmental Health	Finance	Fraud	Injury	Operations / Delivery Disruptions	Project			Psychosocial safety	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
									Quality	Cost	Time		Theoretically such an event is possible but not expected to occur during an operation / asset life / project.	Possible that such an event may occur once during operation / asset life / project.	Such an event may occur more than twice during an operation / asset life / project.	Such events may occur frequently during an operation / asset life / project.	Such events are expected to occur routinely during an operation / asset life / project.
Insignificant 1	Low impact. Low profile. No complaint.	Minor breach of policy / process requiring some response with little impact on other criteria.	Scanning or reconnaissance. Negligible effect on organisation.	An insignificant environmental event that can be immediately corrected under the control of the City.	< \$50,000 or < 5% of OP. Little or no impact on asset.	Single opportunistic dishonest activity or asset misappropriation. Internal or external.	Minor first aid.	Little impact. Business as usual < 5% variation against KPI.	Majority of milestones and objectives being achieved with minor variation to scope and/or quality reported. Minor impact absorbed through project.	< 5% of Project Budget or < \$50,000, whichever is lower.	< 5% of Project Timeline or < 30 days, whichever is lower.	Activation of HR / WHS or Mental Health First Aider process.	Low 1	Low 2	Low 3	Low 4	Moderate 5
Minor 2	Low impact. Low profile. Low media attention. Possible complaint.	Compliance breach of policy / process requiring additional work or minimal damage control.	Low-level malicious attack; targeted reconnaissance, phishing, non-sensitive data loss. Causes spurious real time systems slowing for organisation.	A minor environmental event that can be corrected through system improvements within the City.	\$50k to < \$250k or 5% to < 10% of OP. Minor loss or damage.	Theft of confidential or personal information, or intellectual property. Repetitive dishonest activity or asset misappropriation. Internal or external.	Medical treatment. No Last Time Injury (LTI).	Minor impact. Easily dealt with. Still business as usual. 5 to < 10% variation against KPI.	Minor impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Disruptive impact on project deliverables expected.	5% to < 10% of Project Budget or < \$250k, whichever is lower.	5% to < 10% of Project Timeline or 30 to < 60 days, whichever is lower.	Unplanned absence of < 2 weeks.	Low 2	Low 4	Moderate 6	Moderate 8	Substantial 10
Major 3	Moderate impact. Moderate media attention. Public complaint.	Compliance breach requiring investigation, remediation or restitution and breach of legislation or regulations.	Malware, beaconing or other active network intrusion; temporary system / service disruption. Loss of confidentiality, integrity, or availability causes limited effect on organisation.	A moderate environmental event that can be remediated but requires multiple stakeholder input.	\$250k to < \$1m or 10% to < 25% of OP. Major damage to asset.	Falsifying financial or procurement records to obtain an improper or financial benefit. Internal or external.	Medical treatment with TI and / or work restriction > 2 weeks.	Some objectives affected. Can continue business as usual, with minor controls executed. 10 to < 25% variation against KPI.	Major impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Serious impact on project deliverables expected.	10% to < 25% of Project Budget or < \$250k to < \$1m, whichever is lower.	10% to < 25% of Project Timeline or 60 to < 90 days, whichever is lower.	Unplanned absence of > 2 weeks, or Workers' Compensation case.	Low 3	Moderate 6	Moderate 9	Substantial 12	High 15
Critical 4	Damage to reputation. Public embarrassment. High media attention. Several public complaints. Third party legal action.	Compliance breach involving external investigation or third party actions resulting in tangible loss or reputation damage to the City and breach of legislation or regulations.	Exfiltration or deletion / damage of key sensitive data or intellectual property. Loss of confidentiality, integrity, or availability causes some adverse effect on organisation.	A significant environmental event where rehabilitation involves multiple stakeholders and various levels of the community and government.	\$1m to < \$5m or 25% to < 50% of OP. Significant loss of asset.	Persistent planned or systematic dishonest activity or asset misappropriation. Internal or external.	Partial disablement or severe injury, or reportable to WorkSafe.	Some major objectives cannot be achieved. Business can still deliver, but not to expected level. 25 to < 50% variation against KPI.	Major impact on milestones and objectives being achieved with significant variation to scope and/or quality reported. Critical impact on project deliverables expected.	25% to < 50% of Project Budget or < \$1m to < \$5m, whichever is lower.	25% to < 50% of Project Timeline or 90 to < 120 days, whichever is lower.	Extended leave from chronic unmanaged work related issues.	Low 4	Moderate 8	Substantial 12	High 16	Extreme 20
Catastrophic 5	Irreversible damage to reputation. Very high level of public embarrassment. Very high media attention. Many public complaints.	Compliance breach involving regulatory investigation and / or third party actions resulting in tangible loss or significant reputation damage to the organisation and breach of legislation or regulations.	Sustained diversion of essential systems and associated services. Loss of confidentiality, integrity, or availability causes serious adverse effect on organisation.	A severe environmental event requiring multiple stakeholders, all levels of the community and government to remediate.	≥ \$5 million or ≥ 50% of OP. Complete loss of asset.	Intrusive losses of significant assets or resources through dishonesty, deception or corrupt use of powers causing significant damage to the financial position of the organisation.	Death or permanent disablement.	Most objectives cannot be achieved. Business cannot operate. ≥ 50% variation against KPI.	Catastrophic impact on milestones resulting in the failure to achieve one or more objectives of the project.	≥ 50% of Project Budget or ≥ \$5 million, whichever is lower.	≥ 50% of Project Timeline or ≥ 120 days, whichever is lower.	Self-harm. Death. Employee resignation leading to loss of experience and expertise to the organisation.	Moderate 5	Substantial 10	High 15	Extreme 20	Extreme 25

Risk Acceptance Criteria			
Risk Level	Criteria	Treatment	Responsibility
Low	Risk acceptable with adequate controls, managed by routine procedures. Subject to annual monitoring or continuous review throughout project lifecycle.	Management through routine operations/project. Risk Registers to be updated.	Head of Business Unit / Manager of Service Unit / Project Manager
Moderate	Risk acceptable with adequate controls, managed by specific procedures. Subject to semi-annual monitoring or continuous review throughout project lifecycle.	Communication and awareness of increasing risk provided to Head of Business Unit / Manager of Service Unit. Risk Registers to be updated.	Head of Business Unit / Manager of Service Unit / Project Manager
Substantial	Accepted with detailed review and assessment. Action Plan prepared and continuous review.	Assess impact of competing Business Unit / Service Unit Projects. Potential redirect of Business Unit / Service Unit resources. Risk Registers to be updated.	Director / Steering Committee
High	Risk acceptable with effective controls, managed by Senior Leadership Team Member. Subject to quarterly monitoring or continuous review throughout project lifecycle.	Escalate to CEO, report prepared for Audit, Risk and Compliance Committee (ARC). Quarterly monitoring and review required. Risk Registers to be updated.	Director / Steering Committee / Project Sponsor
Extreme	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring.	Escalate to CEO, report prepared for ARC. Monthly monitoring and review required. Risk Registers to be updated.	CEO / Council / Project Sponsor

Existing Control Ratings		
Rating	Foreseeable	Description
Effective	Doing more than what is reasonable under the circumstances.	1. Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; 2. Subject to continuous monitoring and regular testing; and 3. Any control improvements that can be implemented have minimal impact on operations.
Adequate	Doing what is reasonable under the circumstances.	1. Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; 2. Subject to continuous monitoring and regular testing; and 3. Control improvements may be implemented.
Inadequate	Not doing some or all things reasonable under the circumstances.	1. Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation; 2. Controls not operating as intended and have not been reviewed and tested; and 3. Existing controls need to be improved.

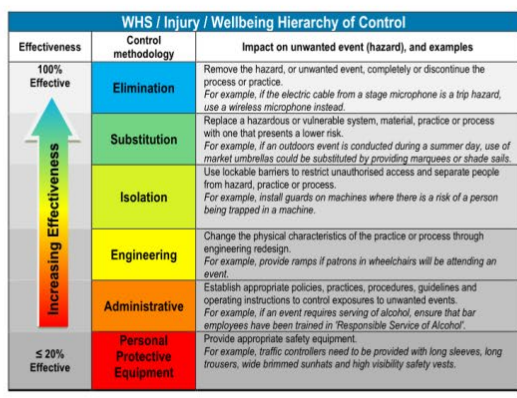


Table 2: Status of Strategic risks

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
1	Business continuity and crisis management	Failure to provide business continuity of the City's core services in the event of a major crisis / emergency.	Major 3	Possible 3	Moderate 9	Chief Executive Officer
<p>Progress and Notes</p> <ol style="list-style-type: none"> The document <i>City of Cockburn Business Continuity Response Plan</i> (the BCP) was endorsed by the Executive Leadership Team at its 22 October 2024 meeting. The BCP is activity based and offers guidance on how to manage disruptions to operations and service caused by any of the following incidents: <ol style="list-style-type: none"> Loss of staff; Loss of (or access to) buildings / infrastructure / equipment; Loss of IT or communications; Loss of supplier / contractor. Priority levels for critical business functions / operations / services are used with the following recovery windows for these identified Recovery Time Objectives: <p>Priority 1: < 4 hours (Cockburn Care/Communications/Customer Experience); < 24 hours (Some operations/services);</p> <p>Priority 2: <1 week (Some operations/services);</p> <p>Priority 3: >1 week (Other operations/services).</p> It is proposed to test the BCP with a cyber related scenario in December 2024. 						
4	Stakeholder relationships	Failure to develop and maintain strategic partnerships and relationships with government agencies and other key stakeholders.	Major 3	Possible 3	Moderate 9	Director Community and Place

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
Progress and Notes						
<ol style="list-style-type: none"> Proactive engagement with National Growth Area's Alliance, Perth South West Metropolitan Alliance, WALGA, and ALGA to further the Council's advocacy objectives. Mayor and CEO conduct frequent meetings with local MPs to discuss strategic matters and local issues impacting their electorates. Lobbying communications through letters to Ministers and stakeholders related to project hurdles. Building and maintaining relationships with stakeholders and agency representatives through events and activations including Business News breakfast series. Proactive and early engagement with State and Federal candidates (and their team) as announced by major parties. Assisting candidates to develop and advocate for local priority projects in alignment with the City's Advocacy agenda and existing Capital Works programs. 						
5	Built and natural environment	Failure to maintain the City's built and natural environment and resources in a sustainable manner.	Major 3	Possible 3	Moderate 9	Director Planning and Sustainability
Progress and Notes						
<ol style="list-style-type: none"> The implementation of the Waterwise Council Action Plan is ongoing. The City is continuing to progress the vegetation condition mapping and fauna surveys. The City's plant species list is continuing to be updated. The rollout of the resident rebates through the Landowner Biodiversity Grants is ongoing. The waterwise Verge Grants are continuing. 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
2	Strategic direction	Lack of clear and aligned strategic vision, direction and implementation.	Critical 4	Unlikely 2	Moderate 8	Director Corporate and System Services
<p>Progress and Notes</p> <ol style="list-style-type: none"> Annual review of Corporate Business Plan is underway. Major review of Strategic Community Plan is underway. Market research component (PlaceScore Liveability survey) is complete. Planning for Q3 community engagement is advanced and on track. Strategy consolidation - draft strategic framework has been developed. EM engagement at November Strategy Priority Setting workshop to identify desire to move to a place-based approach. If place based to the preference a FY26 project to progress development of a place-based approach will be developed. Service review program is underway, annual review of service plans will be completed as part of annual planning process. Integrated process for corporate planning under development, process mapping of operational budget development process is underway. 						
3	Project management planning	Failure to consistently plan for capital works projects	Critical 4	Unlikely 2	Moderate 8	Director Infrastructure Services
<p>Progress and Notes</p> <ol style="list-style-type: none"> Continued transition towards an industry standard centralised project delivery model for infrastructure capital projects. Year three of the Investment, Prioritisation and Optimisation Process establishing further governance and control, ensuring effective planning is completed prior to Project Delivery hand over. Governance Groups established for major projects (and minor as required) enable an all of organisational approach to ensure effective Infrastructure Planning and Project lifecycle objectives and vision alignment. Project reporting of 24/25 capital programs and projects monthly to the Executive Leadership Team. 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
5. A Portfolio Gantt Schedule has been developed ensuring projects are appropriately scheduled in line with internal delivery resources and capacity across the financial (delivery) year.						
6	Technology use and change	Failure to identify, manage and capitalise on the effective and efficient use of changing technology.	Critical 4	Unlikely 2	Moderate 8	Director Corporate and System Services
<p>Progress and Notes</p> <ol style="list-style-type: none"> IT Strategy development underway. Privacy and Responsible Information Sharing (PRIS) project continuing. Cyber Security Framework scheduled for completion in December 2024. Staff Device Rollout currently underway, on track for 30 November completion. TechOne SaaS migration underway, on track for 26 November Go Live, whole project on track for Q2 FY25 completion. 						
7	Financial sustainability	Erosion of Council's financial sustainability.	Critical 4	Unlikely 2	Moderate 8	Director Corporate and System Services
<p>Progress and Notes</p> <ol style="list-style-type: none"> Funding commitment plans to be developed for each City funded financial reserve account, underpinning the annual review of the LTFP. A structured and formal contract variations process has been developed to support the associated delegated authority from Council and includes financial and budgetary assessments. Process is currently manual but will be systemised in the first half of 2025. Delivery of the FY24 carry forwards capital program is being prioritised to ensure its completion this financial year. The FY25 capital program was developed to ensure a high level of completion, with minimal carry forwards expected into FY26. Council has adopted a three-year service review program, aiming to achieve operational efficiencies and cost savings. 						

Attachment 3: Status of risks rated Substantial and higher

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
9	Public health decline from climate change [Environmental Health risk]	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures, and extreme weather events).	Catastrophic 5	Possible 3	High 15	Head of Development and Compliance [ELT Member Director Planning and Sustainability]
Progress and Notes						
<p>1. The City's Local Public Health Plan (LPHP) is under review to align with the Department of Health advice published on 4 June 2024 updating the direction of the State Public Health Plan, which the City will be required to align with. The LPHP is legally required to be published before 4 June 2026, it is anticipated that the updated plan will be published in early 2025.</p> <p>2. The Local Emergency Risk Management Plan will be reviewed next year. The City will facilitate risk assessment workshops and preparation of an Emergency Risk.</p>						
8	Community infrastructure damage from climate change impacts [Environmental Health risk]	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures and extreme weather events).	Critical 4	Possible 3	Substantial 12	A/Head of Sustainability and Environment [ELT Member Director Planning and Sustainability]
Progress and Notes						
<p>1. Design of buildings for climate resilience and to improve energy management, through implementation of ESD guidelines – undertaken in accordance with the City's Sustainability Policy.</p> <p>2. All City owned buildings (within Bushfire Prone Areas) have Bushfire Risk Assessments completed, and any treatments are implemented in accordance with the Bushfire Risk Management Plan (BRMP) and the DFES Map of Bushfire Prone Areas.</p> <p>3. The capacity of existing Council buildings to withstand more severe weather events is in compliance with the Building Code of Australia.</p> <p>4. Planning Policy provisions continue to be implemented – business as usual, i.e., ensure:</p> <ul style="list-style-type: none"> all proposed Structure Plans are accompanied and informed by a Bushfire 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
		Management Plan <ul style="list-style-type: none"> new building design approval process (within Bushfire Prone Areas) incorporate bush fire management. 5. The City has commissioned GHD to prepare a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The CHRMAP will assess the likelihood of coastal infrastructure being impacted by coastal erosion and inundation in the context of sea level rise projections. Once completed, the CHRMAP will provide recommended treatments to protect or relocate community infrastructure. The City will facilitate risk assessment workshops and preparation of an Emergency Risk Management Plan. Work is expected to commence in March 2025.				
10	Biodiversity loss from climate change impacts [Compliance risk]	Damage to or loss of biodiversity and natural habitat, caused by climate change impacts (decreased rainfall and increased bushfires, temperatures, and extreme weather events).	Critical 4	Possible 3	Substantial 12	A/Head of Sustainability and Environment [ELT Member Director Planning and Sustainability]
Progress and Notes <ol style="list-style-type: none"> All these treatments are continuing to be implemented on an annual basis: <ul style="list-style-type: none"> climate change health vulnerability assessment and map vulnerable residents and areas review existing warning systems and identify potential gaps and opportunities for improvement review, update and implement the Public Health Plan review, update and implement the Bushfire Risk Management Plan and Local Emergency Risk Management Plan new building design approval process (within Bushfire Prone Areas) incorporate bush fire management. Ongoing bushland maintenance initiatives like weed control, plant watering and revegetation are being undertaken to increase the resilience of local natural areas to the impacts of climate change. The City is also investigating the feasibility of transferring water from Yangebup Lake to Bibra Lake to support turtle populations that are vulnerable to predation. As the wetlands are becoming increasingly dry, water supplementation projects provide additional habitat for wetland species. The City is working with the Perth South West Metropolitan Alliance to review feral animal control in the region to better protect local ecosystems that are more vulnerable as a result of climate change. 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
11	Coastal impacts from sea level rise [Environmental Health risk]	Legal liability and damage to or loss of natural environment, infrastructure, and coastal land, caused by sea level rise.	Major 3	Likely 4	Substantial 12	A/Head of Sustainability and Environment [ELT Member Director Planning and Sustainability]
<p>Progress and Notes</p> <ol style="list-style-type: none"> GHD are continuing work on the City's Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The CHRMAP is expected to be completed by mid-2025. Coastal monitoring program continues as per business as usual. 						
12	Community support [Financial risk]	Failure to obtain community support for strategic planning functions.	Critical 4	Possible 3	Substantial 12	Head of Planning [ELT Member Director Planning and Sustainability]
<p>Progress and Notes</p> <ol style="list-style-type: none"> Most strategic planning projects have advertising processes (controlled by State Government) rather than specific community engagement. Planners can only undertake community engagement for specific and occasional projects. These are carried out in line with an approved community engagement plan (approved by the City's engagement team). It is not realistic to expect complete support for all strategic planning functions, however, the City having recently reviewed its local planning strategy has the benefit of recent community input into high level strategic land use planning guidance for the City of Cockburn. The subsequent steps of implementing the updated strategy will include planning at the local area or 'place' level where community aspirations will be better articulated at the scale which is often of greater community interest. Knowing those aspirations at a City and local area level helps to realise those visions in practice - but also builds understanding of what City strategic planning functions are (and their limitations). 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
152	Tree canopy decline [Operational risk]	Decline in the extent of canopy cover across the City as a consequence of poor maintenance or the impact of pests and diseases.	Critical 4	Possible 3	Substantial 12	Head of Operations and Maintenance [ELT Member Director of Infrastructure Services]
Progress and Notes						
<ol style="list-style-type: none"> The City is not planting reproductive host species as part of our ongoing planting program. Since we became aware of Polyphagous Shot-Hole Borer (PSHB) infestations occurring in our local government area we have created a data layer in ESRI that identifies susceptible species in our street tree City wide. Presentations have been made to the Executive Leadership Team and Elected Members. We have engaged Department of Primary Industries and Regional Development (DPIRD) to train our employees in how to identify and report PSHB symptoms and signs. We have engaged contractors to conduct proactive aerial inspections of 184 trees on our northern border to identify any possible street tree impact to our susceptible tree species. We are engaging in ongoing DPIRD, LGA and WALGA and CEO working groups to share information. 						
15	Landfill capping [Financial risk]	Failure to fund the capping of existing exposed landfill cells.	Catastrophic 5	Unlikely 2	Substantial 10	Head of Operations and Maintenance [ELT Member Director Infrastructure Services]
Progress and Notes						
<ol style="list-style-type: none"> Cell 7 capping leachate project remains deferred to FY26, existing resources have been diverted to priority projects: construction of a new leachate pond and the temporary Community Drop-Off Facility. 						

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
16	Reduced water availability from decreased rainfall [Compliance risk]	Decreased liveability, reduced water availability, loss of urban vegetation and biodiversity caused by climate change impacts (decreased rainfall).	Minor 2	Almost certain 5	Substantial 10	A/Head of Sustainability and Environment [ELT Member Director Planning and Sustainability]
Progress and Notes						
<ol style="list-style-type: none"> No updates to the 5-year plan, its implementation is ongoing and the City remains a Gold Waterwise Council. No water sensitive urban design projects were undertaken in 2024. The City continues to implement the recommended actions from the water efficiency audit of Coogee Surf Club building. The Water Corporation continues to meet its environmental obligations by supplementing local wetlands with excess stormwater. This is a requirement of the EPA approval of the South Jandakot Drainage Scheme. 						
17	Urban forest decline from climate change [Compliance risk]	Urban forest decline caused by climate change impacts (increased temperatures and decreased rainfall).	Minor 2	Almost certain 5	Substantial 10	A/Head of Sustainability and Environment [ELT Member Director Planning and Sustainability]
Progress and Notes						
<ol style="list-style-type: none"> The City's Urban Forest Plan remains un-resourced. Street tree planting is continuing, as per the budget allocation. The City is continuing to work with DPIRD on identification and removal of PSHB infections 						
288	Child safe organisation [Injury risk]	Failure by the City of Cockburn to resource for, and anticipate legislative requirements, to comply with the National Principles for Child Safe	Catastrophic 5	Unlikely 2	Substantial 10	Head of Library and Cultural Services [ELT Member Director Community and Place]

RMSS Risk ID	Risk name	Risk description	Consequence	Likelihood	Residual risk	Risk owner
		Organisations				
Progress and Notes						
<ol style="list-style-type: none"> The City hosted the communities of practice meeting on the 25 September 2024, which was well received by all participants. Draft City policy has been developed and circulated internally for comment. Head attended synopsis in October 2024 and WALGA forum and has liaised with Head of People, Culture and Safety to ensure the City complies with the mandatory reporting and reportable conduct scheme (City is compliant). Code of Conduct review to allow for wording in relation to the City being a child safe organisation. Head of Library and Cultural Services has confirmed that the Department of Local Government, Sport and Cultural Services child safeguarding unit will attend and present to ELT (date to be confirmed) on the reform and national principles. Significant progress has been made and the City is meeting all of the legislative deadlines and requirements. Child safeguarding statements have also been developed and will be incorporated into new position descriptions - target is to have all roles converted by the end of the 24/25 financial year. 						
289	Workplace psychosocial hazards [Psychosocial Safety risk]	Inability to provide for workers a safe work place free from exposure to bullying and harassment	Catastrophic 5	Unlikely 2	Substantial 10	Head of People, Culture and Safety [ELT Member CEO]
Progress and Notes						
<ol style="list-style-type: none"> Inductions for acceptable workplace behaviour and reporting mechanisms have been developed and will be rolled out to the workforce. Review of relevant policies and procedures will be undertaken as part of FY25 program of works. Attended webinar in regard to Reportable Conduct and this will assist in the review of the Notifiable and Reportable Conduct Policy. Commenced review of the Employee Code of Conduct. Due for completion in June 2025. 						

12. Motions of Which Previous Notice Has Been Given

Nil

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

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

15. Matters to be Noted for Investigation, Without Debate

Nil

16. Confidential Business

Nil

17. Closure of Meeting