

CITY OF ROCKINGHAM

Annual Report

2014/2015





Australia Day 2015, Rockingham Beach foreshore. (Front cover)



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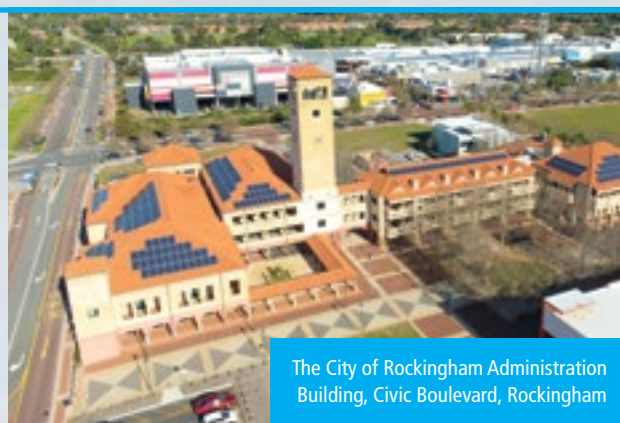
About Us

The City of Rockingham is located in Perth's outer southern suburbs, about 40 kilometres south-west of the Perth CBD. Covering some 262 hectares, including 42 kilometres of spectacular coastline, it is bounded by the City of Kwinana in the north, the Serpentine-Jarrahdale Shire in the east, the Shire of Murray and the City of Mandurah in the south, and the Indian Ocean in the west.

Originally inhabited by the Nyungar Aboriginal people, the City was named after a ship called 'Rockingham' which was driven aground in a storm in 1830 just north of where the town was eventually built.

Despite several attempts to establish a settlement in the area it was not until the early 1850s that pioneering families took up land and started farming.

The Rockingham Road Board was constituted on 21 May 1897. The area was renamed the Shire of Rockingham on 1 July 1961, and was proclaimed the City of Rockingham on 12 November 1988.



The City of Rockingham Administration Building, Civic Boulevard, Rockingham

Over the last decade the City of Rockingham has been the fourth fastest growing municipality in Perth and is now home to more than 120,000 residents. Located in one of the nation's fastest growth corridors the City is one of Western Australia's future strategic metropolitan centres. Our population is expected to grow to approximately 200,000 in just over 20 years, as more people discover the many features and benefits of living in this dynamic City where the coast comes to life.

OUR VALUES

RECOGNITION

ETHICS

SERVICE

PROFESSIONAL DEVELOPMENT

EMPOWERMENT

COMMUNICATION

TEAMWORK

Our Aspirations

In 2014, the City consulted with the community to identify a new set of aspirations to guide future Council decisions and build on the original aspirations developed in 2010. Seven thousand residents were invited to attend “Planning for the Future Workshops”.



Approximately 500 residents attended 11 Community workshops to create the new 2015-2025 Strategic Community Plan.

Contributions from attendees were used as the basis to create the City's 2015-2025 Strategic Community Plan, adopted by Council in November 2014.

The City has four Aspirations for the future including:

1. Tourism Lifestyle
2. Strong Community
3. Quality Leadership
4. Sustainable Environment.

Each Aspiration is supported by four Strategic Objectives that were defined during the community workshops and consultation process.



A TOURISM LIFESTYLE

Rockingham Beach
Foreshore Precinct

Investment Attraction

Safety, Appearance
and Cleanliness

Coastal Facilities



A STRONG COMMUNITY

Mobility and Inclusion

Services and Facilities

Capacity Building
and Wellbeing

Safety and Support



QUALITY LEADERSHIP

Financial Sustainability

Community Engagement
and Advocacy

Infrastructure

Governance



A SUSTAINABLE ENVIRONMENT

Climate Change

Coastal and
Bushland Reserves

Land Use and
Development Control

Carbon Footprint and
Waste Reduction



Our Shared Vision

Working in partnership during the creation of the Strategic Community Plan, the community and Council developed a clear and compelling vision to guide the City of Rockingham's evolution into one of Australia's safest, most liveable and sustainable cities.

IN 2030 WE:

- Will be recognised and admired as a contemporary and vibrant regional destination, renowned for our thriving City Centre and Waterfront Village, natural beauty and world class coastal and marine environments.
- Will enjoy a safe, relaxed and friendly tourism lifestyle, underpinned by a diverse range of community facilities, services and cultural activities all linked with a world class public transport system.
- Will prosper from significant investment and employment opportunities, created by a diverse and robust economic base including retail, services, tourism, education, defence, horticulture and light and heavy industrial activity.
- Will acknowledge the climate is changing and continue to reduce our carbon footprint and the generation of waste, and manage and use our land and marine environments in a manner that preserves them for future generations.
- Will be home to a proud, welcoming and inclusive community that understands respects and preserves its unique sense of purpose and place.



An aerial view looking south-west over Peron and Lake Richmond



Performance Highlights Against the Community Plan



From July 2014 to January 2015 the City continued the implementation of the 2011-2021 Community Plan through activation of the specific purpose strategies and plans that were identified for each of the 16 Aspirations.

In November 2014, Council adopted the revised Strategic Community Plan 2015-2025, which supersedes the previous plan. For the last part of the 2014/2015 financial year the City progressed actions under the new plan.



Tourism Lifestyle

Rockingham Beach Foreshore Precinct

Investment Attraction

Safety, Appearance and Cleanliness

Coastal Facilities



The Rockingham Beach Foreshore Master Plan is a long term strategic guideline for the future upgrade and development of the foreshore and was developed in consultation with the community and key stakeholders. In the initial concept phase the City carried out a community engagement and consultation about the foreshore from November to December 2014. Feedback from all sectors of the community was included to create the design parameters in the first draft of the Rockingham Foreshore Master Plan, which was approved for public comment for four weeks in May to June 2015. Just fewer than 320 submissions were received. It is expected the final plan will be adopted in July 2015. The various stages of upgrades to the foreshore could cost up to \$40 million over time and are expected to commence in 2016.

An aerial view looking west over Railway Terrace, Rockingham



The LitterBusters team provides a rapid response litter removal service



The annual Customer Satisfaction Surveys conducted by the City in 2012 and 2013 identified litter as a key focus area needing improvement. The City responded to feedback and developed a rapid response team focussed primarily on litter. The LitterBusters team has a dedicated 1800 phone number and supporting smart device application for reporting litter and illegal dumping 24 hours a day, seven days a week. The team also works with Community Safety and Rangers to improve the City's abandoned shopping trolley management. No other Western Australian Local Government has committed resources to address littering to this extent. So far more than 2000 reports have been lodged.

Construction on the \$5 million development of the new Secret Harbour Surf Life Saving Club (SHSLSC) pavilion commenced in January 2015. This is one of the City's major infrastructure projects for 2015 and when complete it will provide enduring benefits for the community. The new building will incorporate meeting spaces, a function area, café and kiosk and allow the Club to continue their beach safety patrols, and further activate the foreshore.

The \$3.5 million reconstruction of the Val Street Jetty at the Rockingham Foreshore was completed in March 2015. Works included the construction of a sea wall, concrete beach access ramps and decking. The new jetty provides improved facilities for commercial and recreational boats.

The City's first Community Christmas Lights Display was switched on from 6 December 2014 to 31 January 2015, at the Rockingham Foreshore and attracted approximately 12,000 people. A spin off Christmas poetry competition will be developed to coincide with the December 2015 display.

The City switched on its first Community Christmas Lights display to celebrate Christmas 2014



A Strong Community

Mobility and Inclusion

Services and Facilities

Capacity Building and Wellbeing

Safety and Support



Mayor Barry Sammels raised the Aboriginal Flag outside the City of Rockingham's administration building for the first time on 9 February 2015. This significant event supports the City of Rockingham's Reconciliation Action Plan fostering respect for the Nyungar people and their unique connection to the land.

The City has undertaken various accessibility audits and equipment has been replaced in 24 playground areas across the City to improve their accessibility, useability and enjoy-ability.

The Mary Davies Library and Community Centre is a contemporary facility featuring meeting rooms and a library with a focus on enhancing opportunities for lifelong learning and promoting social interaction. Visually the architecture connects the modern facility with the farming heritage of the Baldivis area. At a final project cost of just over \$12.3 million, the new library was officially opened in August 2014.



The \$12.3 million Mary Davies Library was officially opened in August 2014

The City of Rockingham's 'Get Active Rockingham' program promotes physical activity with free or discounted activities on offer from local providers during April. In 2015 the program attracted more than 30 local providers and almost 500 participants took part in a session. A couple of the highlights from the 2015 program were the Rockingham Fun Run/Half Marathon and the Rockingham Foreshore Walk with Ted, a family friendly event starting at Wanliss Street car park in Rockingham.

Gone Fishing is a popular intergenerational program connecting young people with older mentors through fishing. The program aims to teach a life skill and give young people an outdoor recreation opportunity that is low cost. In term one 2015, twenty young people aged 12 to 16 completed the program, which included fish identification and managing a catch at the beach. In term four, the program will have an additional focus on sustainability, caring for the coast and practical sessions in filleting and cooking fish.

The popular Gone Fishing program is supported by BHP Billiton Nickel West Kwinana, and is now in its eleventh year. More than 500 young people have been taught how to fish during that time.



Since 2010 more than \$1.9 million in funds have been awarded under the City's Community Grants Program (CGP). Information sessions for prospective applicants were held during the year with 35% of participants stating they were not aware of the City's CGP opportunities prior to attending the information session. All attendees indicated they would consider applying for funding in the future.

The City of Rockingham Short Fiction Awards is an international writing competition, in which all entries are inspired by City of Rockingham's Art Collection. In 2014, 169 entries were received based on the image "Under the Arches, Mangles Bay" by Rosemary Singleton. Entries were received from every state except the ACT, as well as Canada.

The Arts Centre Residency program in 2014 complemented the opening of the Rockingham Arts Centre. Artists Tomas Ford and Claire Davenhall occupied the Arts Centre for two four week periods, during which time they provided two public skills development workshops each in multi-media cabaret performance and photography. The residency culminated in a week of performances of Tomas Ford's 'The Final Chase' while Ms Davenhall presented a two week exhibition of macro-photographic montage entitled 'Rockingham Up Close'.

Held in conjunction with Arts on the Move, the Teachers' Professional Development program provided professional development for local arts teachers. The program provided instruction in teaching indigenous arts in the classroom, as well as historical context linked to the Pinjarra Massacre Memorial exhibition held in the Rockingham Arts Centre Gallery in April 2015.

Local schools were invited to visit the exhibition and interact with indigenous speakers and artists to discuss the relevance of the exhibition and its historical significance to the local indigenous population.

Quality Leadership

Financial Sustainability
Community Engagement and Advocacy
Infrastructure
Governance



Kulija Road Project Manager
Ian Daniels was awarded
the GK Watters Local
Government Engineering
Excellence Award from the
WA division of the institute
of Public Works Australasia.

The City maintained a strong financial position in 2014/2015. With a long term strategy to build a sustainable revenue base that is capable of delivering services, maintaining our existing assets and providing the new community infrastructure necessary to satisfy the needs of our rapidly expanding population. Diligent long term planning and a commitment to maintaining our existing community assets will ensure the financial viability of the City and provide for our sustainable future.

For the past three years, the City has focussed on a gradual reduction in the reliance on extraordinary revenue from the Millar Road landfill business unit to fund year in year out operational deficits. This year the profits will go toward capital works and reserve funds that will serve to mitigate the significant risks of owning and operating a major landfill facility.




The City completed the \$19 million construction of the 4.5 km long Kulija Road entrance to Rockingham in August. The new road was 12 years in the making, including several major utility replacements and negotiations with landholders. The route reduces travel time to Rockingham and offers a designated freight route to the Western Trade Coast and the City Centre. By reducing journey times for at least 6000 vehicles per day, Kulija Road helps to reduce greenhouse gases and could save up to 1.1 million litres of fuel per year.

The project manager, Ian Daniels, was awarded the GK Watters Local Government Engineering Excellence Award from the WA division of the institute of Public Works Australasia.

Asset Improvement and Maintenance 2014/2015

- Road resurfacing and renewal using approximately 25,000 tonnes of asphalt
- \$5.8 million worth of building and park asset renewals
- 25 footpath projects completed
- 15 local area traffic management projects completed.

A new high definition fast playback CCTV network has been installed with the aim of making people feel safer, providing a surveillance function that helps to deter criminal activity in the coverage area. It will also assist Rockingham Police by providing high quality visual evidence of criminal and anti-social behaviour.



Big Dreamer by Sara
Urban Castaways 2015

A Sustainable Environment

Climate Change

Coastal and Bushland Reserves

Land Use and Development Control

Carbon Footprint and Waste Reduction

Solar panels have been installed on City assets to save money on operating costs and reduce greenhouse gas emissions. The sites chosen were those that consumed large amounts of electricity, mostly during the day, and where reducing power from the grid would have the highest impact to the overall community. Panels have been added to the Administration Building, Churchill Park, the Autumn Centre, Mary Davies Library, Larkhill Sports Complex and the Aqua Jetty. The total power produced by the City's solar panels offsets approximately 180 mega watt hours of energy usage per annum.

Other sustainable projects this year have included:

- Fleet enhancement and carbon offset via the carbon neutral program
- Richmond drainage reserve upgrade
- Green Army grant funding
- Dixon Road weed management and revegetation
- The upgrade of foreshore access paths and conservation area fencing
- The management of groundwater usage for irrigation purposes
- Recycling of construction waste for use in City road construction and maintenance.



Blow Your Troubles Away, Carol Clitheroe, Castaways 2015, Alcoa Major Winner.

CASTAWAYS SCULPTURE AWARDS

In May 2015, the annual Castaways Sculpture Awards attracted 15,000 visitors over seven days to view the beachside outdoor art exhibition. The competition and exhibition showcases the best of outdoor sculptures created using recycled materials. Thirty-five entries were exhibited as well as 12 entries from local Primary and Secondary schools. An open community forum attracted 30 attendees to workshops by NSW artist Bronwyn Berman, 2014 Castaways Major Award winner Andrew Pickering and renowned WA sculptor Tony Jones. A series of workshops for local school students attracted more than 300 attendees. The Castaways Poetry and Photography Prizes are held in conjunction with the Castaways Sculpture Awards. More than 150 entries were received for both awards, from every state except the Northern Territory. Applications were even received from Canada making the awards an internationally recognised competition.

COASTAL AND BUSHLAND RESERVES



Lake Richmond New Boardwalk

The old timber boardwalk at Lake Richmond has been replaced with a new one more than twice as wide to allow for universal access. Designed to last for the next 80 years, it is built from fibreglass reinforced plastic on the same footprint as the previous structure, and supported by specially designed 'diamond piles' to minimise impact on the surrounding Thrombolite community.

Tamworth Hill Revegetation

Tamworth Hill Swamp's biodiversity, attractiveness, accessibility and conservation is being improved through a revegetation program taking place over the next three years, establishing more than 12 hectares of feeding habitat for threatened Black Cockatoos, other birds, reptiles, frogs, kangaroos, possums and quenda which inhabit the swamp.

LAND USE AND DEVELOPMENT CONTROL

The City has completed the East Baldivis structure plan as well as progressing 22 local structure plan proposals through the system. A total of 563 planning approvals were issued worth more than \$600 million. The creation of over 1500 lots has been facilitated as well as major development building approvals including Centro Warnbro Shopping Centre, Baldivis Shopping Centre, Quest Apartments, Capri Apartments and development within the City

Centre.

The City has been monitoring the wildlife of the area including frog population and extensive research on the local little penguins in conjunction with Murdoch University.

Rockingham Ward

Our Council

The City of Rockingham comprises four wards represented by 10 Councillors and a Council-elected Mayor who represent the interests of the community. Members of Council are responsible for making decisions in all areas of policy and budget priorities. Decisions are made as a consensus of the Council in accordance with the *Local Government Act 1995*.

CR BARRY SAMMELS

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Barry is passionate about developing the local community. His mission is to work in partnership with the people of Rockingham to create an inclusive community in a leading City with a relaxed coastal lifestyle. Barry understands the needs of the local community, having been a local business owner and resident of the Rockingham area for 32 years, Mayor of the City for 12 years and a Councillor for 18 years. He chairs a number of committees which focus on climate change, community safety and major projects in the area. He is committed to building strong partnerships with State and Federal Government.



CR JOY STEWART

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Joy is an active member of the community and has a strong passion for Rockingham, being a local resident of the City for 40 years. She was one of the first people in Australia to earn a Diploma in Local Government during her first term on Council.

Joy prioritises her role in decision making and likes being a voice for less fortunate members of the community such as the elderly and people living with disability. Listening to the residents, she voices their concerns for the environment, particularly on the Mangles Bay Marina development, as well as other issues. She is the Chairperson on various committees, as well as sitting on several other committees and boards. Joy is committed to the area and brings the qualities of leadership, fairness and open communication to her role as a Rockingham Ward Councillor.



CR ALLAN HILL OAM JP

Allan has been a resident of Rockingham for 27 years and brings almost 25 years of experience in Local Government to his role as Councillor for Rockingham Ward. Allan has spent seven years with Bayswater Council, two years with the Shire of York, 15 years with the City of Rockingham, and four years as Deputy Mayor. Allan values the support he has received from his wife and family throughout his career. Now retired, Allan served in the Royal Australian Navy in Malaysia, Borneo and Vietnam, and as a fireman with 28 years in the Western Australian Fire Service. He is a Justice of the Peace and in 2006 received an Order of Australia for community service. Allan is committed to contributing to healthy debate and making informed decisions that are for the long-term benefit of the community. He values the role of Local Government as the closest level of government to the community. Allan will retire from his role as Councillor at the end of his term in October 2015.



Safety Bay Ward

CR LEIGH LILEY

Phone: 9593 8362

Email: leigh.liley@education.wa.edu.au

A Rockingham resident for nearly 50 years and in her fourth term as Councillor for Safety Bay Ward, Leigh is passionate about the needs and lifestyle of our community, the preservation of the region's natural assets and the advancement of a sustainable economic future for all. Chairing the Corporate and Community Development, Grants and Sports Advisory Committees, and a member of Cultural Advisory, Rockingham Education and Training Advisory Committee (RETAC), Governance and Sister Cities Committees, Leigh has been able to represent and voice the concerns of the Rockingham community and influence decisions evidenced by lobbying for facilities, programs and support for community groups.

Holding a Master's Degree in Education has enabled Leigh to contribute to improving the social and learning outcomes of 0-18 year olds and pathways to employment for the community. Leigh is wholeheartedly committed to working towards the creation of Rockingham as a leading City with a vibrant and relaxed coastal lifestyle, offering the best facilities available.



CR RON PEASE JP

Ron is serving his first four year term as Councillor. He and his family love living in Rockingham and he wanted greater input into his local community through being an Elected Member. A local resident for 14 years, Ron is a member of several committees and boards both on Council and externally. Ron brings more than 40 years of practical experience in horticulture, environment and business to his role on Council. He also served for 47 years in the Air Force Reserve and up until his recent retirement worked for Defence full-time for seven years in welfare, discipline and in recruiting for all three services. Ron is keen to ensure responsiveness to residents and values being an Elected Member during a period of rapid change, and being involved in making decisions regarding future projects to boost tourism and employment in our City.



CR DEB HAMBLIN

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Email: deb.hamblin@rockingham.wa.gov.au

Deb holds a Bachelor of Arts, and a Graduate Diploma in Library and Information Studies. Now in her third term as Councillor, she has a passion for expanding educational opportunities and promoting the value of literacy in our community. Deb has been a Rockingham resident for more than 30 years and has worked for Murdoch University for 37 years. She is Vice Chair of the Library Board of Western Australia, Member of Murdoch University's Senate and a foundation member of the Rockingham Education Development Group. During her time on Council she has been an active contributor to a number of committees including Community Development, City Safe and Global Friendship, and is Chair of the Heritage Advisory Committee.



Baldivis Ward

CR RICHARD SMITH

Richard has enjoyed two terms as Councillor representing the dynamic Baldivis Ward. He is proud to have been the City's first Mayor 26 years ago. During the past 13 years he has seen Baldivis grow from a rural area to a bustling community with many town characteristics. With this comes many concerns about road safety, footpaths, cycle ways, traffic congestion and hooners. Richard serves on a wide range of committees, which reflect his interests in planning development, environmental issues, the Mary Davies Library and Community Centre, active ageing and bushfire and emergency services. Richard will retire at the end of his term in October 2015.



CR MATTHEW WHITFIELD

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Matthew has owned his own small business, has been a Senior Manager in business and was also a police officer in WA. Matthew chairs the Neighbourhood Watch Advisory Committee and the Roadwise Committee and also actively contributes to the City Safe, Active Ageing, Disability Access and Inclusion and Community Grants committees, amongst others as well as sitting on three external not for profit groups. His three main passions are: making Rockingham a safer place to live and work; attracting new investment and business to the City; and ensuring that the City provides full value services to residents. Matthew, 39, is keen to ensure that Rockingham attracts state and federal attention and funding, and that our City can realise its undoubted potential in terms of employment drivers, facilities, tourism attractions and general perception within WA. Matthew feels that the best way to positively influence change is to be a part of the decision making process and is proud of the role he has played so far. He especially enjoys the advocacy role he plays on behalf of the residents as well as healthy debate amongst Councillors.



CR CHRIS ELLIOTT

Phone: 9537 1096

Email: chriselliott388@yahoo.com.au

Chris holds a Ph.D. (University of Alberta) a Master of Education and a Bachelor of Education (Edith Cowan University). He is currently in his third period as Councillor, having represented Coastal Ward from 1978 to 1983 and from 1995 to 2003, which included serving as Mayor of the City from 1997 to 2003. Chris was again elected in 2011 and brings energy, experience and passion to this term as a Rockingham City Councillor.

As a member of the Council for 17 years, Chris has been a member of, and has chaired, a range of Council committees. A long-term resident, Chris works to ensure adequate facilities are developed for the rapidly growing population and wants to ensure the environmental beauty and natural features of the area are retained. Chris strongly holds the view that a city is much more than roads and buildings and wants to help make Rockingham the best place to live. He is keen to work with all tiers of government, local businesses and the community in assisting Rockingham to reach its tourism and business potential.

CR JUSTIN SMITH

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Elected in as Councillor in October 2013, Justin grew up and was educated locally, and has resided in Secret Harbour with his family since 2000. Justin is passionate about small business, being an owner of a finance business, past chairman of the Rockingham Kwinana Small Business Centre and past president and life member of the Rockingham Kwinana Chamber of Commerce.

Local sports play a significant part in Justin's community involvement, having held officer bearer and coaching positions with the Secret Harbour and Singleton junior cricket and football clubs. His contribution to Rockingham's business and sporting community was recognised when he was awarded the City of Rockingham's Australia Day Citizen of the Year Award for 2013.

Justin is an advocate for the sound development of community and recreational facilities in the City's rapid growth areas and the improvement of the City's foreshores to promote community and tourism opportunities.





Mayor's Report

It is with great pleasure that I welcome you to the City of Rockingham's 2014/2015 Annual Report for the financial year ended 30 June 2015. This report summarises the City's performance against its outgoing Community plan, and introduces six months of committed progress against Council and community's new Strategic Community Plan 2015-2025. This was a year the City delivered some major infrastructure projects for the region, which will serve the community for many years to come.

NEW COMMUNITY PLAN

The revised Strategic Community Plan came into effect in January of this year and it is a high level document which guides the decisions of Council based on what our community has prioritised for the future. This supersedes the original Strategic Community Plan 2011-2021, which was adopted by Council in March 2011. The *Local Government Act 1995*, requires a review of the plan every four years and from 2010 to 2014 the City's population grew by more than 16,000 people, to 120,000. Our population is predicted to be more than 165,000 by 2026 and as we grow we will need to adapt to the challenges faced by a high growth region. It is essential that we engage with our community to tap into the creative and innovative thinking that will help turn challenges into opportunities. During 2014, the City consulted with the community again to identify a new set of aspirations, which complement and enhance the original aspirations that were developed in 2010.

MAJOR PROJECTS

CCTV

During the last two financial years, the City has progressively updated and installed a new CCTV system worth \$1.3 million. The project is jointly funded by the Australian Government's Digital Local Government program, the Safer Streets program and the City of Rockingham, and when complete will include 120 cameras covering community and public locations and City assets. The new system is digital and uses National Broadband Network (NBN) data transmission. Cameras have been installed at the Mary Davies Library and Community Centre, the Rockingham Aquatic Centre, City's depot, pound, operations centre and landfill. Rockingham Police Station is connected to the network, enabling staff to review the high-definition camera footage. Mobile access to the camera footage is also available for Police and City Officers.

Mary Davies Library

The new \$12.3 million, Mary Davies Library and Community Facility, was completed in winter 2014, providing a number of services to the Baldivis community. The contemporary library was designed to maximise on energy efficiency and provides flexible spaces for different types of meetings and functions. At its official opening in August the library was named after Mary Davies (1926 –2014), a passionate and committed long time member of the Rockingham community.



Secret Harbour Surf Life Saving Club.

Secret Harbour Surf Life Saving Club

The new \$5 million Secret Harbour Surf Life Saving Club is expected to be completed at the end of 2015. The new facility will provide many enduring benefits to the wider community and will activate an isolated beach location and make the area even more appealing. The new pavilion commenced construction in January this year and comprises a new surf club; community multi-purpose meeting rooms; and a commercial café and kiosk. These new features will enhance the sustainability of the Club, while the new building also captures the best panoramic views of the ocean. The project is supported by the Department of Sport and Recreation, which contributed \$700,000 to the redevelopment.

Kulija Road

The City's major infrastructure project, Kulija Road, provides a main freight and commuter route directly from the Kwinana Freeway to the Kwinana industrial area and the City Centre. Construction took 16 months to complete and the road was opened in August 2014. The 4.5km road cost \$17.8 million to build and was funded by the Federal and State Governments, together with the City of Rockingham.

COUNCILLORS

I would like to thank my fellow Councillors for their commitment to being the voice of their Wards, and for sincerely doing the challenging work of being a member of a growth Council. Their stewardship of the region and decisions for the 2014/2015 financial year reflect their passion to achieve the community's vision for Rockingham to be recognised and admired as a contemporary and vibrant regional destination.

The City has made significant progress for the region in 2014/2015, laying some important foundations for the future and for our existing community. By continuing to maintain and create infrastructure, identifying needs and listening to our community we are well placed to ensure that Rockingham will be solidly positioned to meet the growth period ahead of us.



Barry Sammels
City of Rockingham Mayor



CEO's Report

BUDGET 2014/2015

In 2014/2015, Council adopted a budget which continued a long term strategy of building a revenue base that is capable of delivering services, maintaining our existing assets and providing the new community infrastructure necessary to satisfy the needs of our rapidly expanding population.

The Millar Road Landfill business now operates independently of the City's ordinary operating revenue streams and returned approximately \$5.3 million this year, which will assist with future scheduled capital works.

I am very pleased to advise that the City is close to achieving the cash reserves necessary to insulate future generations from any costs associated with operating losses or post-closure remediation activities. We can now look forward to a significant annual financial return from the business unit to assist with our major projects for many years to come.

The City remains one of the lowest rating Local Governments per-capita in the Perth metropolitan region. However, high population growth continues at 4% per year with approximately 4500 new residents moving to the City annually. The scale and impact of this growth is illustrated by the amount of development activity in new areas such as Baldivis and Golden Bay. A total of 2228 dwelling approvals were issued and 1743 new lots were created by way of subdivision in the past year. The City needs to maintain revenue growth to take full advantage of the many opportunities for economic development associated with being a designated Strategic Metropolitan Centre.

COMMUNITY SURVEY

Each year, since 2010, the City surveys residents on key areas of performance to measure standards and perceptions over time. Based on the results of the 2014 survey the City has continued to perform well in the areas of rubbish and recycling, parks, gardens and picnic areas and local roads.

Footpaths and cycle ways were listed as priority areas for 2014. Litter management has moved upwards since 2013, indicating an improvement in the City's performance in this area.

The City has made a concentrated effort to address litter in the last six months with a committed focus on a rapid response LitterBusters team, which is dedicated to responding to litter and illegal dumping reports. Overall the City's performance remains strong with a score of 3.84 out of five result. I look forward to improving on this further in the 2015/2016 financial year.



The new LitterBusters team has responded to nearly 2000 litter reports throughout the City, seven days a week, since its launch in November 2014. LitterBusters is raising the City's level of visual amenity particularly in high visitation and publically visible areas. A new, updated App for Android, iOS and Windows has been released for smart devices allowing for more efficient reporting of incidents.

INVESTMENT ATTRACTION

The City of Rockingham launched a visionary Economic Development Strategy in September 2014. The new strategy will guide redevelopment of the Rockingham foreshore area, and the attraction of medium to high density residential/ commercial development in the Rockingham City Centre and Waterfront Village precincts. It capitalises on the City's unique points of difference, particularly the metropolitan area's only north facing beach, proximity to the Western Trade Coast and Garden Island Naval Base.

A key element of the strategy is the development of a business case for a business-tourism hotel. It also provides for a more collaborative approach with the development industry with a view to achieving better outcomes on projects which in the past may have been economically marginal.

One of the main recommendations of the strategy was the development of a master plan to guide the future development of the Rockingham foreshore. Based on consultation with the community Council is expected to adopt the new Foreshore Master Plan in July 2015.

NO AMALGAMATIONS

In early 2015, the WA State Government announced its plans to rescind orders to redraw a number of Metropolitan Local Government boundaries, effectively dissolving a five-year push by the State for Local Government amalgamations. As part of the process the City of Rockingham was classified as financially sustainable, and our preference was always to retain our original boundaries. The announcement that there would be no forced amalgamations provided some much needed certainty for the future of the sector.

IN GRATITUDE

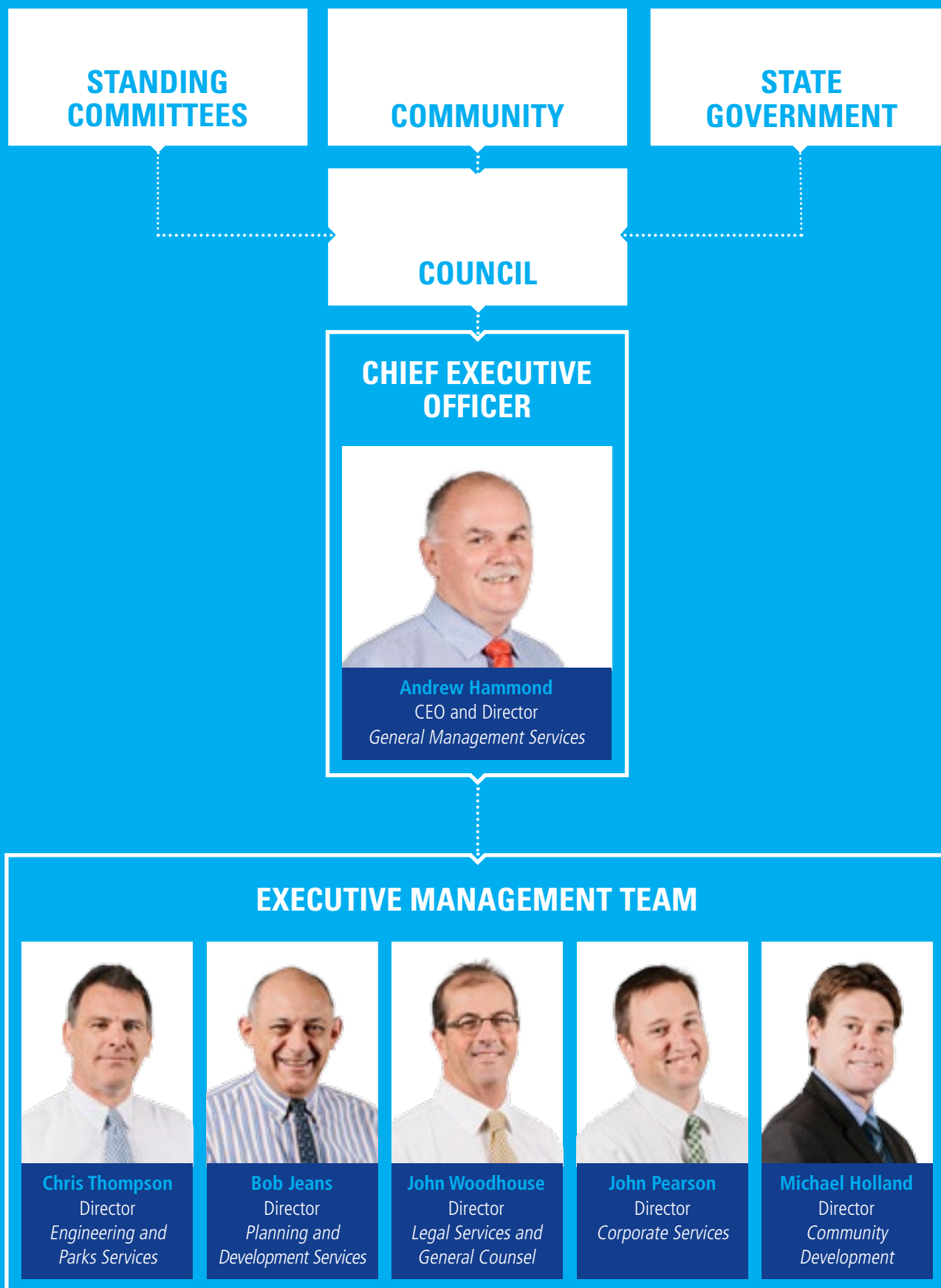
Thank you to the City's hardworking and passionate staff for their contribution during the last year. The incredible results we achieve for our growing community would not be possible without the commitment of our outdoor and administration staff. I look forward to another exciting year for our region in 2015/2016, and I am honoured to lead such a professional and dedicated team.

A handwritten signature in blue ink, appearing to read "Andrew".

Andrew Hammond
Chief Executive

Organisational Structure

The City of Rockingham Administration comprises six Directorates: General Management Services, Community Development, Corporate Services, Engineering and Parks Services, Planning and Development, Legal Services and General Counsel. Each Directorate is led by a Director who reports to the Chief Executive Officer (CEO), who is also responsible for the General Management Services Division. The CEO is directly accountable to the Mayor and Councillors elected by the residents of the City of Rockingham.



Andrew Hammond

Chief Executive Officer

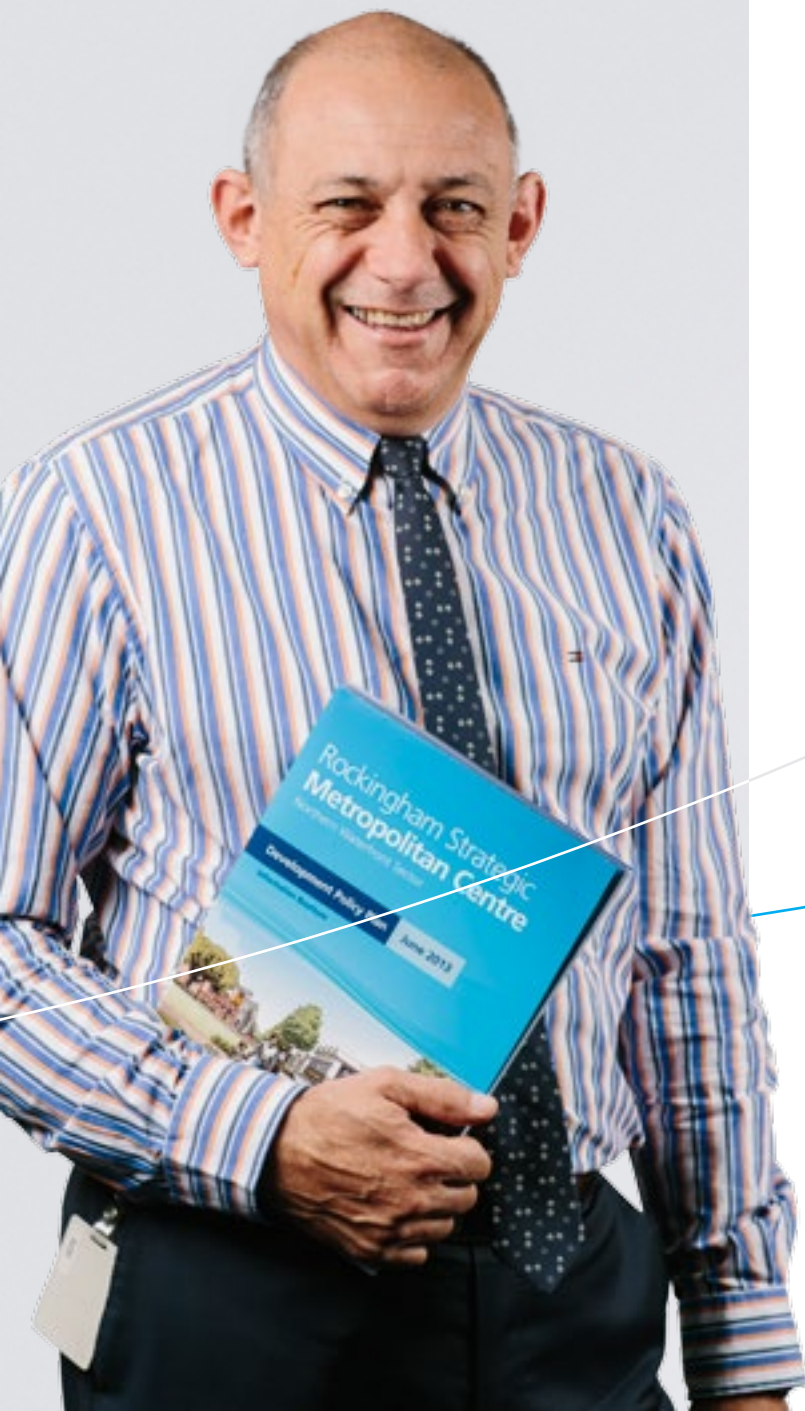
Executive Master of Business Administration (UWA), Diploma of Local Government (DE VET), Graduate Australian Institute of Company Directors, Fellow of Local Government Managers Australia, Institute of Public Administration Australia. Local Government Leader of the Year 2012, Local Government Managers Australia Medal 2013.

Key Responsibilities:

- Strategic Leadership
- General Management
- Internal Audit
- Investment Attraction
- Strategy and Corporate Communications
- Governance and Elected Member Support
- Human Resource Development
- Organisational Development.

Commencing with the City of Rockingham in 2008, Andrew has worked in senior management and leadership roles in Western Australian Local Governments since 1987 in locations including Manjimup and Nannup in the South West, Kununurra in the East Kimberley, and the City of Albany in the Great Southern region. Prior to commencing his Local Government career, Andrew worked in the retail banking sector in rural and metropolitan South Australia as well as Western Australia.

Bob Jeans



Director Planning and Development Services

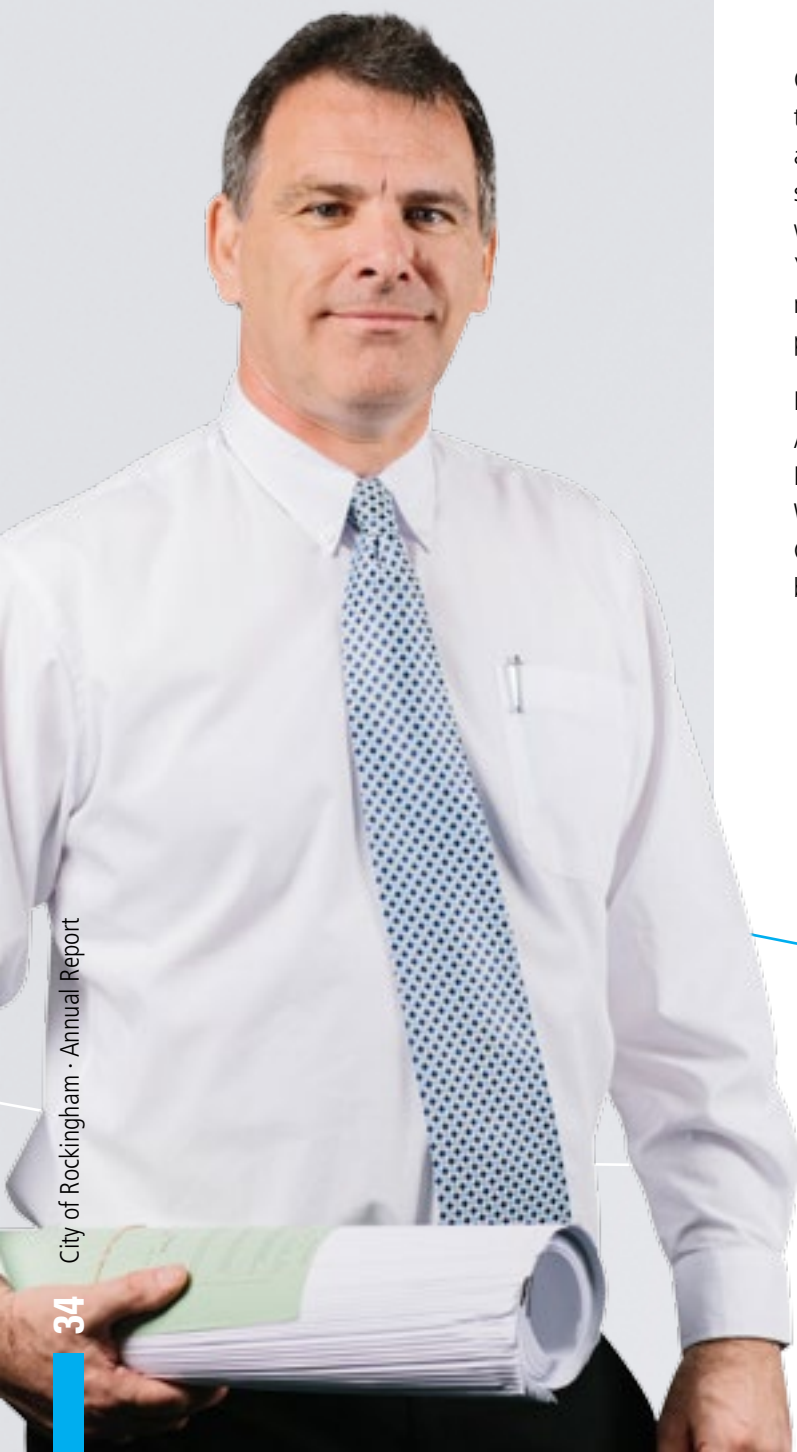
Bachelor of Arts (Urban and Regional Studies).

Key Responsibilities:

- Strategic Planning and Environment
- Statutory Planning
- Building Services
- Environmental Health Services
- Rangers Services
- Emergency Services
- Rockingham Strategic Metropolitan Centre.

Bob has more than 39 years of experience in the Local Government sector and has been the Director of Planning and Development Services since 2003. Bob has extensive experience in senior Local Government administration and town planning. Areas of particular interest include urban design, public spaces, town centre and 'main street' planning.

Chris Thompson



Director Engineering and Parks Services

Diploma in Local Government 1991, Fellow Institute of Public Works Engineering Association (IPWEA), Member Local Government Managers Association (MLGMA).

Key Responsibilities:

- Engineering Operations and Services
- Parks Operations and Services
- Waste Collection and Landfill Services
- Asset Management and Building Maintenance Services
- Capital Projects.

Chris commenced his position as Director in 2003. With more than 30 years working experience in Local Government, it all began here at the Shire of Rockingham in 1982. Chris subsequently worked for rural and metropolitan councils. He was appointed as Chief Executive Officer (CEO) at the Shire of Yilgarn when he was 29 and was instrumental in facilitating resource sharing projects between Wheatbelt councils, particularly in the area of road building.

Based on this experience, Chris was appointed to the Western Australian Local Government Association (WALGA) as Executive Manager, Transport and Roads. During his eight years at WALGA, Chris visited every council in WA and represented Local Government and the State on many committees, groups and boards advancing public works, funding and policy issues.

John Pearson



Director Corporate Services

Master of Accounting, Bachelor of Commerce.

Key Responsibilities:

- Financial Services
- Procurement
- Customer and Corporate Support
- Information Systems
- Community and Leisure Facilities.

John has worked at the City of Rockingham since 2008. Prior to this appointment he was the Chief Executive Officer for the Shire of Derby West Kimberley in Western Australia's north. John has more than a decade of Local Government executive management experience and is responsible for corporate operations in the City of Rockingham. He has extensive knowledge of Local Government systems and always explores innovative ways to solve complex issues.

He is passionate about developing best practice, cutting-edge local government services and leads a Corporate Services team willing to explore new approaches.

Michael Holland

Director Community Development

Bachelor Social Science (Leisure Science), Post Graduate in Community Development, Advanced Diploma of Management, Diploma of Project Management.

Key Responsibilities:

To lead the Community Development Directorate and work with the community to build the social and cultural dimensions of the City to deliver local positive change ensuring Rockingham remains a great place to live.

This is achieved through the four key Community Development leadership departments of:

- Community Capacity Building
- Library and Information Services
- Community Support and Safety Services
- Community Infrastructure Planning.

Michael has lived in the City of Rockingham his whole life and has worked in both Local Government and the private sector. For more than 20 years he has dedicated his career to the community development industry.

Having developed, implemented and reviewed community development teams, models, strategies and budgets regularly during his career Michael is seen as a leader and innovative thinker in the community development industry. He was elected Chair of the Local Government Managers Association WA (LGMWA) Community Development Network, the peak body in Western Australia for community development. Michael was also recognised as the LGMWA Emerging Leader of the Year 2013 and represents the Local Government Community Development industry on the State Government's Community Development Roundtable. As the Chairperson of Kolbe Catholic College and coach of the Year 7 football team at the Rockingham Rams Football Club, Michael is passionate about both his job and his community, and aims to remain in the community development industry for the long term.

John Woodhouse



Director Legal Services and General Counsel

Bachelor of Jurisprudence, Bachelor of Laws, Admitted as barrister and solicitor (WA Supreme Court and High Court of Australia).

Key Responsibilities:

- Providing legal advice across all areas of organisational operation and responsibility
- Overseeing all organisational systems and documentation to minimise risk and achieve excellence in governance and compliance
- Litigation and Tribunal management
- Legal training and capacity building.

John joined the City in 2012 as its first Director of Legal Services and General Counsel. He has worked in private legal practice for more than 35 years, and specialised in providing legal services to the Local Government sector. He has worked with more than 70 Local Governments including as the principal legal counsel for the City of Perth (prior to its division) for more than a decade.

Before the establishment of Woodhouse Legal and its predecessor, Watts and Woodhouse, John was the head of Minter Ellison's Local Government, Planning and Environment Practice in Western Australia and the national head of Minter Ellison's Legal Group's Planning and Environment practice.

John has been a consultant on Local Government and planning matters to the Minister for Local Government, the Ministry of Planning, the Minister for Planning, the Office of Premier and Cabinet and the West Australian Municipal Association (and now WALGA).

Compliance

DISABILITY ACCESS AND INCLUSION

The Disability Access Inclusion Plan (DAIP) 2012-2015 contains 58 actions.

The current DAIP delivered the following outcomes in 2014/2015, in collaboration with the community and other stakeholders:

- Conducted disability awareness induction training for all new staff.
- Recognised and celebrated International Day of People with Disability.
- Reported to Disabilities Services Commission on all statutory obligations for 2014/2015.
- Facilitated the "Let's Talk" network meetings with like-minded organisations which share ideas and explore opportunities for partnerships.
- 'Access and Inclusion' is part of the City's Outdoor Event application process, which ensures provision for access and inclusion in event planning.
- An adult change table and hoist have been installed at the Mary Davies Library and Community Centre.
- The City has installed 152 tactile ground surface indicators (TGSIs) in various locations around Rockingham within the last three years. The TGSIs are sensory clues for people with disability who are blind or vision impaired to help them navigate through the City.
- From 2012 to 2015 the City installed 34 dual pathways, which are for joint use for bicycles/gophers and pedestrians.
- Renovations to the Administration building have been completed, including maintenance on the taps and the accessible toilet, and increasing the size of door frames for wheel chair access.
- An accessible audit was completed in 2015 for the City Administration Building and an implementation plan will be completed in the future.



International Day of People with Disability 3 December 2014

- The Rockingham Aquatic Centre supports the use of the Companion Card, which promotes the rights of people with disability who require a companion to support their daily needs.
- The City can provide large-printed documents and strategies and USB drives with requested information, for people with disability. The City also supports the use of the National Relay Service.
- 'Get on Board' public transport information tours were conducted for Seniors.
- During 2014/2015 the City increased the number of parking infringements for parking in an accessible parking bay without an approved ACROD sticker.
- Audio Loops are present at Gary Holland Community Centre and the Mary Davies and Community Centre.
- Employment of people with disability has increased at the City of Rockingham.
- The City implements an Equal Opportunity Management Plan (2015-2017). Biannually, staff are trained by the Equal Opportunity Commission, and approximately 550 staff have completed the training within the last three years.



RECORD KEEPING

In line with Section 19 of the *State Records Act 2000*, Local Governments are required to have a Record Keeping Plan that is approved by the State Records Commission (SRC).

The plan applies to employees, Elected Members and contractors. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organisation. In line with Section 17 of the Act, the City and staff are legally required to comply with the contents of the plan. The City is committed to the management of records in accordance with legislative requirements and best practice. The City's Record Keeping Plan has been approved by the State Records Commission until May 2018.

During the 2014/2015 financial year the City continued its back-scanning of building application property files and legal documents. New employees received training in record keeping procedures and in the City's Electronic Document Records Management System. Refresher and power user training was also provided to existing employees.

LOCAL LAWS REVIEW

The City has a number of local laws which regulate a variety of activities including parking, bush fire control, dogs, fencing, health, and public property. A replacement of the Standing Orders Local Law is expected to be presented to Council in late 2015.

EXECUTIVE REMUNERATION

The City's executive remuneration is assessed against skills, qualifications, experience and the responsibilities of the position. The figures below represent a cash base salary but do not include vehicle allowances, non-monetary benefits such as professional memberships or superannuation of up to 14.5%.

Salary Range	Number of Executives
100,001 – 110,000	11
110,001 – 120,000	0
120,001 – 130,000	6
130,001 – 140,000	6
140,001 – 150,000	10
150,001 – 160,000	2
160,001 – 170,000	1
170,001 – 180,000	0
180,001 – 190,000	0
190,001 – 200,000	2
200,001 – 210,000	1
210,001 – 220,000	1
220,001 – 230,000	1
240,000 – 260,000	0
260,001 – 270,000	0
270,001 – 280,000	0
280,001 – 290,000	1

FREEDOM OF INFORMATION AND PUBLIC INTEREST DISCLOSURE

As a public authority the City has an obligation to provide certain information under the provisions of the *Freedom of Information Act 1992* (FOI) and the *Public Interest Disclosures Act 2003*. During the 2014/2015 year, no requests were received for information under FOI; no public interest disclosures were received.

Freedom of Information Statistics 2007/2008 to 2014/2015

Financial Years	FOI Applications	Transfers	Completed	Withdrawn	Not yet completed	Internal Review Applications
2014/2015	14	0	16	0	0	0
2013-2014	9	0	9	1	2	2
2012-2013	9	0	7	0	2	1
2011-2012	14	0	11	0	3	0
2010-2011	8	0	7	1	1	1
2009-2010	11	0	8	2	1	0
2008-2009	5	0	4	0	1	1
2007-2008	5	0	5	0	0	0

CITY OF ROCKINGHAM POLICY REVIEW

Council adopts a variety of policies to guide the City and to ensure consistency in decision-making. The Chief Executive Officer also establishes policy to ensure a whole-of-organisation approach to management and administrative issues. A policy framework has been established to guide the development and adoption of policy at a strategic and operational level.

REGISTER OF DELEGATED AUTHORITY

To provide a timely and effective response to customer requests Council may delegate some routine decision-making authority to the Chief Executive Officer and other City employees. A Register of Delegated Authority is reviewed annually by the Governance and Councillor Support Team and is subsequently adopted by Council.

AUSTRALIAN CITIZENSHIP CEREMONIES

The Governance and Councillor Support Team coordinates the Australian Citizenship Ceremonies on behalf of the Department of Immigration and Citizenship. A total of 1050 people became Australian Citizens this year.



In 2014/2015, 1050
people became
Australian Citizens
this year



Priorities for the Future

In the year ahead, the City will continue to strive to achieve its shared vision for the future. A raft of major infrastructure projects is scheduled for 2015/2016, to achieve the City's strategic aspirations for the future.

The 2015/2016 Budget prioritises the commencement of the Rockingham Foreshore redevelopment, the extension of the Singleton Community Centre, clubrooms for the Rhonda Scarrot Reserve, and for Eighty Road's playing field in Baldivis as well as the completion of the Secret Harbour Surf Lifesaving Club. In 2015/2016 a new three bin waste collection system will be implemented as well as major upgrade works on Dampier Drive.



'The Painted Sky' by Daniel Iley



FUTURE

COMMUNITY FACILITIES

REGIONAL FACILITIES

- 1 Rockingham Foreshore Revitalisation
- 2 Lark Hill Sportsplex Northern Expansion

DISTRICT FACILITIES

- 3 Rockingham Central (Library / Youth / Community)
- 4 Baldivis Sports and Fitness Centre
- 5 Baldivis District Sportsplex
- 6 Aqua Jetty Stage Two
- 7 Rockingham Youth Space
- 8 Rockingham Aquatic Centre Redevelopment / Relocation

SUB DISTRICT FACILITIES

- 9 Stan Twight Reserve Clubroom Extension
- 10 Secret Harbour Community Library
- 11 Laurie Stanford Reserve Clubroom Development
- 12 Eighty Road Reserve Clubroom and Lights
- 13 Baldivis Youth Space
- 14 East Baldivis Recreation Reserve

NEIGHBOURHOOD FACILITIES

- 15 Waikiki/Warnbro Youth Space
- 16 Port Kennedy Outdoor Courts
- 17 Rhonda Scarrot Reserve Clubroom Development
- 18 Baldivis South Youth Space
- 19 Baldivis South Community Centre
- 20 Baldivis South Outdoor Courts



The Rockingham Dive Trail comprises six submerged scuba diving sites off the Rockingham Beach foreshore.





Financial Report

For the year ended 30 June 2015

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Statement by Chief Executive Officer

For the year ended 30 June 2015

**CITY OF ROCKINGHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the City at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the

day of 20 Oct. 2015



Andrew Hammond
Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	64,730,075	64,264,740	58,651,122
Operating grants, subsidies and contributions	28	8,544,073	9,312,520	8,934,053
Fees and charges	27	42,225,330	41,403,802	43,814,315
Service charges	24	3,785,147	2,930,658	1,678,356
Interest earnings	2(a)	3,962,815	3,285,233	3,724,311
Other revenue	2(a)	7,246,494	5,506,718	6,211,027
		130,493,935	126,703,671	123,013,184
Expenses				
Employee costs		(42,774,241)	(41,901,102)	(38,251,013)
Materials and contracts		(33,087,753)	(47,489,297)	(40,643,772)
Utility charges		(4,656,334)	(4,678,980)	(4,492,214)
Depreciation on non-current assets	2(a)	(43,205,297)	(36,051,800)	(36,268,215)
Interest expenses	2(a)	(1,313,812)	(1,188,296)	(1,198,153)
Insurance expenses		(1,245,973)	(1,460,297)	(1,255,492)
Other expenditure		(12,602,329)	(4,157,904)	(8,464,512)
		(138,885,738)	(136,927,676)	(130,573,371)
		(8,391,803)	(10,224,005)	(7,560,187)
Non-operating grants, subsidies and contributions	28	47,769,283	6,779,225	33,550,036
Profit on asset disposals	20	70,540	1,688,925	0
Loss on asset disposals	20	0	(1,124,841)	(3,416,985)
Net result		39,448,020	(2,880,696)	22,572,863
Other comprehensive income				
Changes on revaluation of non-current assets		777,103,598	0	158,596,060
Total other comprehensive income		777,103,598	0	158,596,060
Total comprehensive income		816,551,618	(2,880,696)	181,168,923

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

Statement of Comprehensive Income by Program

For the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		240,327	103,464	140,698
General purpose funding		76,066,270	72,885,127	65,200,272
Law, order, public safety		2,956,200	2,761,216	2,670,949
Health		245,970	250,519	317,275
Education and welfare		1,916,321	1,669,401	2,192,410
Housing		3,346,421	3,421,553	3,164,021
Community amenities		36,749,159	39,540,607	50,336,899
Recreation and culture		2,453,167	2,329,681	2,505,952
Transport		273,622	208,182	682,603
Economic services		4,060,450	2,927,480	2,062,100
Other property and services		2,186,028	606,441	1,233,552
		130,493,935	126,703,671	130,506,730
Expenses	2(a)			
Governance		(14,086,017)	(2,916,229)	(3,481,823)
General purpose funding		(641,488)	(620,100)	(892,488)
Law, order, public safety		(5,949,601)	(6,495,436)	(6,248,922)
Health		(1,525,028)	(2,478,950)	(2,095,462)
Education and welfare		(5,762,627)	(7,853,003)	(7,734,291)
Housing		(3,054,938)	(3,332,004)	(3,209,425)
Community amenities		(27,216,806)	(30,978,317)	(31,981,566)
Recreation and culture		(36,033,453)	(38,154,357)	(35,478,132)
Transport		(36,720,909)	(33,077,578)	(34,950,171)
Economic services		(4,076,864)	(4,395,608)	(6,132,356)
Other property and services		(2,504,192)	(5,437,798)	(4,664,129)
		(137,571,925)	(135,739,380)	(136,868,765)
Finance costs	2(a)			
Law, order, public safety		(51,458)	(49,615)	(51,540)
Education and welfare		0	0	(105)
Housing		(12,316)	(2,904)	(5,438)
Community amenities		(146)	(146)	(1,814)
Recreation and culture		(1,137,145)	(1,054,157)	(1,123,983)
Transport		0	0	(2,914)
Economic services		(105,810)	(74,548)	0
Other property and services		(6,937)	(6,926)	(12,359)
		(1,313,812)	(1,188,296)	(1,198,153)

	NOTE	2015 \$	2015 Budget \$	2014 \$
Fair value adjustments to financial assets at fair value through profit or loss				
General purpose funding		0	0	0
		0	0	0
Non-operating grants, subsidies and contributions				
Governance		501,345	325,346	204,654
General purpose funding		5,774	0	0
Law, order, public safety		820,569	137,380	640,953
Health		7,276	0	0
Education and welfare		2,636	0	22,356
Housing		630	0	0
Community amenities		6,395,880	0	0
Recreation and culture		5,023,149	2,097,500	8,798,737
Transport		34,945,588	4,218,999	23,883,336
Economic services		4,018	0	0
Other property and services		62,418	0	0
	28	47,769,283	6,779,225	33,550,036
Profit/(Loss) on disposal of assets				
Governance		(175,940)	18,099	(253)
Law, order, public safety		45,348	51,324	11,146
Health		0	0	(8,221)
Education and welfare		13,356	23,568	45,731
Housing		0	0	(1,739,668)
Community amenities		19,477	(796,026)	71,304
Recreation and culture		(11,996)	(16,465)	(1,790,584)
Economic services		0	6,494	1,055
Other property and services		180,295	1,277,090	(7,495)
	20	70,540	564,084	(3,416,985)
Net result		39,448,020	(2,880,696)	22,572,863
Other comprehensive income				
Changes on revaluation of non-current assets		777,103,598	0	158,596,060
Total other comprehensive income		777,103,598	0	158,596,060
Total comprehensive income		816,551,618	(2,880,696)	181,168,923

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

Statement of Financial Position

For the year ended 30 June 2015

	NOTE	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	3	80,837,942	63,829,264
Trade and other receivables	4	9,995,183	7,717,373
Inventories	5	1,626,132	1,687,469
Total current assets		92,459,257	73,234,106
Non-current assets			
Other receivables	4	1,439,249	1,393,645
Property, plant and equipment	6	293,217,392	278,101,584
Infrastructure	7	1,141,636,329	352,968,985
Total non-current assets		1,436,292,970	632,464,214
Total assets		1,528,752,227	705,698,320
Current liabilities			
Trade and other payables	8	13,743,927	12,816,756
Current portion of long term borrowings	9	2,050,231	991,325
Provisions	10	7,843,251	7,622,481
Total current liabilities		23,637,408	21,430,563
Non-current liabilities			
Long term borrowings	9	16,631,894	14,978,666
Provisions	10	10,059,623	7,417,406
Total non-current liabilities		26,691,517	22,396,072
Total liabilities		50,328,925	43,826,635
Net assets		1,478,423,302	661,871,685
Equity			
Retained surplus		460,285,039	425,847,314
Reserves - cash/investment backed	11	47,713,124	42,702,829
Revaluation surplus	12	970,425,139	193,321,541
Total equity		1,478,423,302	661,871,685

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

Statement of Changes in Equity

For the year ended 30 June 2015

	NOTE	Retained Surplus \$	Reserves Cash/Investment Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2013		404,300,371	41,676,909	34,725,481	480,702,761
Comprehensive income					
Net result		22,572,863	0	0	22,572,863
Changes on revaluation of non-current assets		0	0	158,596,060	158,596,060
Total comprehensive income		22,572,863	0	158,596,060	181,168,923
Transfers from/(to) reserves		(1,025,920)	1,025,920	0	0
Balance as at 30 June 2014		425,847,314	42,702,829	193,321,541	661,871,684
Comprehensive income					
Net result		39,448,020	0	0	39,448,020
Changes on revaluation of non-current assets		0	0	777,103,598	777,103,598
Total comprehensive income		39,448,020	0	777,103,598	816,551,618
Transfers from/(to) reserves		(5,010,295)	5,010,295	0	0
Balance as at 30 June 2015		460,285,039	47,713,124	970,425,139	1,478,423,302

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

Statement of Cash Flows

For the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash flows from operating activities				
Receipts				
Rates		64,257,432	64,264,740	58,294,622
Operating grants, subsidies and contributions		6,727,542	9,312,520	8,617,063
Fees and charges		42,225,330	41,403,802	43,814,315
Service charges		3,785,147	2,930,658	1,678,356
Interest earnings		3,962,815	3,285,233	3,724,311
Goods and services tax		6,315,366	4,153,201	8,229,532
Other revenue		7,246,494	5,506,718	6,211,027
		134,520,126	130,856,872	130,569,226
Payments				
Employee costs		(41,027,827)	(40,888,766)	(36,660,117)
Materials and contracts		(31,101,891)	(47,489,297)	(41,482,976)
Utility charges		(4,656,334)	(4,678,980)	(4,492,214)
Interest expenses		(1,194,592)	(1,188,296)	(1,187,283)
Insurance expenses		(1,245,973)	(1,460,297)	(1,255,493)
Goods and services tax		(6,393,072)	(4,563,210)	(7,454,752)
Other expenditure		(12,602,328)	(4,157,904)	(8,464,512)
		(98,222,017)	(104,426,750)	(100,997,346)
Net cash provided by (used in) operating activities	13(b)	36,298,109	26,430,122	29,571,879

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash flows from investing activities				
Payments for purchase of property, plant & equipment		(17,844,358)	(23,538,007)	(21,036,282)
Payments for construction of infrastructure		(17,899,522)	(26,625,609)	(21,073,782)
Non-operating grants, subsidies and contributions		12,593,107	6,779,225	8,014,737
Proceeds from sale of fixed assets		1,105,741	0	1,238,379
Net cash provided by (used in) investing activities		(22,045,032)	(43,384,391)	(32,856,948)
Cash flows from financing activities				
Repayment of debentures		(1,487,865)	(1,501,315)	(1,042,899)
Proceeds from self supporting loans		43,465	43,465	70,666
Proceeds from new debentures		4,200,000	18,920,000	0
Net cash provided by (used in) financing activities		2,755,600	17,462,150	(972,233)
Net increase (decrease) in cash held		17,008,678	507,881	(4,257,301)
Cash at beginning of year		63,829,264	55,745,102	68,086,565
Cash and cash equivalents at the end of the year	13(a)	80,837,942	56,252,983	63,829,264

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

Rate Setting Statement

For the year ended 30 June 2015

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		565,731	428,810	345,352
General purpose funding		11,374,807	8,665,544	6,581,987
Law, order, public safety		3,822,117	2,898,596	3,311,902
Health		253,246	250,519	317,275
Education and welfare		1,932,313	1,669,401	2,214,766
Housing		3,347,051	3,421,553	3,164,021
Community amenities		43,164,516	47,265,634	50,336,899
Recreation and culture		7,464,320	4,427,181	11,304,689
Transport		35,219,210	4,413,999	24,565,939
Economic services		4,064,468	2,927,480	2,062,100
Other property and services		2,428,741	606,441	1,233,552
		113,636,520	76,975,158	105,438,482
Expenses				
Governance		(14,086,018)	(2,899,037)	(3,482,076)
General purpose funding		(641,488)	(620,100)	(892,488)
Law, order, public safety		(6,001,059)	(6,494,027)	(6,289,316)
Health		(1,525,028)	(2,478,950)	(2,103,683)
Education and welfare		(5,762,627)	(7,830,835)	(7,688,665)
Housing		(3,067,254)	(3,334,908)	(4,954,531)
Community amenities		(27,216,952)	(39,021,589)	(31,912,076)
Recreation and culture		(37,170,598)	(39,319,679)	(38,392,698)
Transport		(36,720,909)	(33,446,598)	(34,953,085)
Economic services		(4,182,674)	(4,463,662)	(6,131,301)
Other property and services		(2,511,129)	(4,179,234)	(4,683,982)
		(138,885,736)	(144,088,619)	(141,483,902)
Net result excluding rates		(25,249,216)	(67,113,461)	(36,045,420)

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	20	(70,540)	(564,084)	3,416,985
Movement in deferred pensioner rates (non-current)		(87,134)	0	(8,510)
Movement in employee benefit provisions (non-current)		2,642,217	94,331	6,611,079
Movement in employee benefit provisions (current)		220,770	918,005	1,280,639
Non-cash developer contribution		(35,176,176)	0	(25,535,298)
Depreciation and amortisation on assets	2(a)	43,205,297	36,051,800	36,268,215
Capital expenditure and revenue				
Purchase of land and buildings	6(b)	(10,650,651)	0	(22,261,145)
Purchase furniture and equipment	6(b)	(1,971,882)	0	(932,441)
Purchase plant and equipment	6(b)	(5,221,825)	(23,538,007)	(4,189,391)
Purchase miscellaneous assets		0	0	(82,020)
Purchase roads, footpaths and drainage		(6,680,451)	0	(20,272,608)
Purchase other infrastructure	7(b)	(11,219,071)	(26,625,609)	(801,174)
Provision for Sick Leave		32,208	0	(118,213)
Proceeds from disposal of fixed assets	20	1,105,741	2,547,390	1,238,379
Repayment of debentures	21(a)	(1,487,865)	(1,501,315)	(1,042,899)
Proceeds from new debentures	21(b)	4,200,000	18,920,000	0
Proceeds from self supporting loans		43,465	43,464	70,666
Transfers to reserves (restricted assets)	11	(8,345,333)	(8,457,178)	(14,966,426)
Transfers from reserves (restricted assets)	11	3,335,038	5,158,796	13,940,506
Estimated surplus/(deficit) July 1 b/fwd	22(b)	14,911,425	2,247,675	19,722,218
Estimated surplus/(deficit) June 30 c/fwd	22(b)	28,233,252	(2,414,572)	14,911,425
Total amount raised from general rate	22(a)	(64,697,237)	(64,232,765)	(58,618,285)

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

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.

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

Land held for sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Fixed Assets (cont.)

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold 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.

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

- (a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Fixed Assets (cont.)

Major depreciation periods used for each class of depreciable asset are:

Land Infrastructure	3 years	(33.33%pa)
Land Infrastructure- Landfill	30 years	(3.33%pa)
Land Infrastructure- Dam & Water Supply	40 years	(2.5% pa)
Building and Fixed Equipment	40 years	(2.5% pa)
Furniture, Fittings and Equipment	10 years	(10.0%pa)
Computer Equipment	3-5 years	(20.0-33.33%pa)
Plant Machinery and Equipment	8 years	(12.5%pa)
Mobile Plant and vehicles	5 years	(20%pa)
Tools	5 years	(20%pa)
Parks	15 years	(6.7%pa)
Roads	20 years	(5%pa)
Footpaths and Crossovers	20 years	(5%pa)
Drainage	50 years	(2%pa)
Miscellaneous- Other	50 years	(2%pa)
Bus/Park Shelters	20 years	(5%pa)
Photocopiers	5-10 years	(10-20%pa)

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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation threshold

Fixed assets are capitalised if their cost exceeds the following:

Buildings and Fixed Equipment	\$5,000
Furniture and Equipment	\$2,000
Plant and Equipment	\$2,000
Infrastructure	\$5,000

(g) Fair Value of Assets and Liabilities

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Fair Value of Assets and Liabilities

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.

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability 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.

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

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments (cont.)

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

- (i) *Financial assets at fair value through profit and loss*
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

- (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

- (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as noncurrent.

- (iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

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

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments (cont.)

(v) *Financial liabilities*

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

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the City no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

Trade and other payables 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 normally paid within 30 days of recognition.

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(k) Employee Benefits

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. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

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

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

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the 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.

(n) Leases

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) 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.

(s) Current and Non-Current Classification

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

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(t) Rounding Off Figures

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

(v) 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.

(u) 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 statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(w) New Accounting Standards and Interpretations for Application in Future Periods

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the City (refer (i) above).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.</p>
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	December 2013	Refer title column	<p>Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the City.</p>
[Operative date: Part C Financial Instruments - 1 January 2015]			
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations	August 2014	1 January 2016	<p>This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the City's financial statements.</p>
[AASB 1 & AASB 11]			

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the City as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

Notes to and Forming Part of the Financial Report

2. REVENUE AND EXPENSES

(a) Net Result	2015 \$	2014 \$
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The Net result includes:

(i) Charging as an expense:

Auditors remuneration

Audit of the annual financial report	37,902	49,519
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Depreciation

Land Infrastructure	1,558,065	613,969
Buildings	4,409,616	3,581,404
Furniture and Equipment	1,218,343	824,521
Plant and Equipment	3,051,859	2,864,982
Miscellaneous Assets	2,176	2,374
Roads, Footpaths and Drainage	24,307,681	20,853,934
Other Infrastructure	8,657,557	7,527,031
	43,205,297	36,268,215

Interest expenses (finance costs)

Debentures (refer Note 21 (a))	1,301,496	1,192,610
Finance Charges Bert England Lodge	12,316	5,543
	1,313,812	1,198,153

Other revenue

Reimbursements and recoveries	2,094,419	1,805,767
Other	5,152,075	4,405,260
	7,246,494	6,211,027

	2015 Actual \$	2015 Budget \$	2014 Actual \$
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Interest earnings

- Reserve funds	3,096,740	2,583,233	2,959,756
- Other funds	44,141	0	39,189
Other interest revenue (refer note 26)	821,934	702,000	725,366
	3,962,815	3,285,233	3,724,311

2. REVENUE AND EXPENSES (cont.)

(b) Statement of Objective

The City of Rockingham is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

Governance

Members of Council, Executive Services, Information Technology, Human Resources, Records, Legal Services and Finance.

General Purpose Funding

All Rates Revenue and Penalties, General Purpose Grant, Pensioners Deferred Rates Grant, Investments Revenue and Emergency Services Levy.

Law, Order, Public Safety

Fire Emergency Services, Animal Control/Rangers General and Other Law, Order & Public Safety.

Health

Maternal & Infant Health, Preventative Services (Immunisation), Inspections and Pest Control.

Education And Welfare

Care of Families and Children, Aged and Disabled Senior Citizens and Other Welfare.

Housing

Administration and operation of housing programs other than those for the benefit of council staff. These include housing for aged persons.

Community Amenities

Sanitation Household Refuse, Sanitation Other, Protection of Environment and Town Planning & Regional Development.

Recreation And Culture

Swimming Areas & Beaches, Other Recreation & Sport, Libraries and Other Culture.

Transport

Construction and Maintenance of Streets, Roads and Bridges.

Economic Services

Economic Development & Area Promotion, Building Control and Other Economic Services.

Other Property And Services

Other Property and Services, Public Works Overheads and Unclassified.

2. REVENUE AND EXPENSES (CONT.)

(c) Conditions Over Grants/Contributions	Function/ Activity	Opening Balance ⁽¹⁾ 01/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Dept Transport - Grant Mundijong Rd Extension		3,653,373	0	(3,653,373)	0	0	0	0
Department of Transport-Point Peron Coastal erosion Project		0	75,012	0	75,012	0	0	75,012
Federal Roads to Recovery Grants - R2R		0	76,264	(40,816)	35,448	0	(35,448)	0
MRWA Specific-Kent/Roe Streets-Install Roundabout		0	200,000	(156,835)	43,165	0	(43,165)	0
MRRG Program Specific-Rae Rd Reseal (Read to Kitson)		0	19,815	(7,396)	12,419	0	(12,419)	0
Department of Broadband Communication		0	204,654	(51,527)	153,127	170,346	(323,473)	0
Strategic Crime Prevention Fund		0	8,720	0	8,720	0	0	8,720
Department of Education-AEID Local Champion Grant		0	50,000	(25,393)	24,607	0	(24,607)	0
WA Planning Commission Area Assistance Grant-Dixon Rd Conservation Reserve		0	74,920	0	74,920	37,460	(10,660)	101,720
WA Planning Commission Area Assistance Grant-Tamworth Swamp Baldivis		0	43,347	0	43,347	41,250	0	84,597
AMEX-Contribution to Baldivis Road		0	208,409	0	208,409	0	(208,409)	0
Healthway School Banner		3,568	0	(3,568)	0	3,000	0	3,000
Disability Services Commission-Count Me In Grant		33,956	0	(26,251)	7,705	0	(1,261)	6,444
Dept of Sport & Recreation-Kidsport		74,993	0	(74,993)	0	260,000	(221,550)	38,450
Main Roads-National Blackspot Programme		269,887	0	(269,887)	0	0	0	0
Main Roads-State Blackspot Programme		89,718	16,133	(93,419)	12,432	0	(12,432)	0
Dept of Health & Ageing-Healthy Communities Initiative		145,674	0	(145,674)	0	0	0	0
Stocklands - Contribution to Baldivis Road		245,971	0	(847,911)	245,971	0	(245,971)	0
Dept of Regional Australia-Baldivis Library & Community Centre		847,911	0	(847,911)	0	0	0	0
Housing Affordability Grant (HAF) - Nairn Road		1,500,000	0	(1,500,000)	0	0	0	0
Federal Assistance Grants- 1st Qtr 2015/2016		0	0	0	0	2,214,706	0	2,214,706
Department of Fire & Emergency Services Grant VBFB- 1st Qtr 2015/2016		0	0	0	0	56,750	0	56,750
Department of Fire & Emergency Services Grant SES- 1st Qtr 2016/2017		0	0	0	0	32,345	0	32,345
Australian Neighbourhood Watch- Community Safety Grant		0	0	0	0	2,727	0	2,727
Department of Community Development- Youth Outreach Operating Grant		0	0	0	0	192,633	(159,515)	33,118
Healthway Grant- Festival of New Talent		0	0	0	0	4,200	0	4,200
Federal Roads to Recovery Grants - R2R- Young Road		0	0	0	0	171,498	(144,401)	27,097
MRRG Program Specific- Dampier Drive (Wambro Sound Ave to Ennis Ave)		0	0	0	0	640,000	(36,455)	603,545
MRRG Program Specific- Baldivis Rd (S'bay to Highbury Boulevard)		0	0	0	0	640,000	(94,113)	545,887
Main Roads- National Blackspot Programme		0	0	0	0	35,289	(35,289)	0
Stockland Development- Footpath Safety Bay Road		0	0	0	0	89,613	0	89,613
Australand Holdings Pty Ltd- Contribution to Pike/Eighty Road Roundabout		0	0	0	0	80,000	0	80,000
Total		6,865,051	977,274	(6,897,043)	945,282	4,671,817	(1,609,168)	4,007,931
Amount Held in Reserve					454,380			0
Amount Held in Municipal Bank Account					490,902			4,007,931
					945,282			4,007,931

Notes: 1. Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

2. New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

3. Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

Notes to and Forming Part of the Financial Report

For the year ended
30 June 2015

3. CASH AND CASH EQUIVALENTS

	NOTE	2015 \$	2014 \$
Unrestricted		29,116,887	20,635,533
Restricted		51,721,055	43,193,731
		80,837,942	63,829,264

The following restrictions have been imposed by regulations or other externally imposed requirements:

Leave reserve	11	5,338,558	5,151,479
Town Planning Scheme Review	11	399,040	385,057
Plant, Machinery & Equip	11	0	887,577
Public Carpark Reserve	11	1,666,448	1,496,583
Waste and Landfill Preservation	11	14,214,782	13,716,655
Administration Building Reserve	11	477,163	460,442
City Centre Carpark (Cash in Lieu)	11	545,845	526,717
City Centre Development Reserve	11	2,289,033	2,208,819
Workers Compensation Reserve	11	990,117	955,420
Property Valuation Fees Reserve	11	187,298	180,734
Storm Damage Reserve	11	322,148	310,859
Ansty Park Shared Costs Reserve	11	2,564,809	800,795
Legal Fees Reserve	11	868,815	838,369
Climate Change Management	11	14,175	13,679
Harrington Waters Specified Area Rates Reserve	11	178,701	144,330
Strategic Master Planning Reserve	11	605,340	584,127
Baldivis Rd Upgrade Reserve	11	1,393,674	1,344,835
Active/Aging Development Reserve	11	169,615	163,672
Capital Works- Bert England Lodge- Reserve	11	68,530	66,128
Learning City Strategy Reserve	11	193,258	0
Active Aging Co-ordinator & Consultancy	11	0	71,784
Plant & Machinery Reserve Millar Rd Landfill	11	0	173,004
Capital Works & Purchases Reserve	11	5,104,844	5,725,263
Community Security Service Charge	11	189,796	167,995
Developer Contribution Scheme	11	5,975,625	2,410,517
Carbon Tax Reserve	11	3,933,993	3,897,226
Peel Mosquito Control Reserve	11	21,517	20,763
		47,713,124	42,702,829
Unspent grants	2(c)	4,007,931	490,902
		51,721,055	43,193,731

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

4. TRADE AND OTHER RECEIVABLES

	2015 \$	2014 \$
Current		
Rates outstanding	3,709,442	3,323,933
Sundry debtors	6,105,367	4,266,521
GST receivable	0	(77,706)
Self Supporting Loans	17,994	20,912
Sundry Debtors- Southern Cross Care	138,845	161,160
Self Supporting Advances	23,535	22,553
	9,995,183	7,717,373
Non-current		
Rates outstanding - pensioners	1,264,585	1,177,451
Self Supporting Loans	148,615	166,610
Advances to Clubs/Association	26,049	49,584
	1,439,249	1,393,645

5. INVENTORIES

	2015 \$	2014 \$
Current		
Fuel and materials	155,132	216,469
Land held for resale - cost		
Cost of acquisition	1,471,000	1,471,000
	1,626,132	1,687,469

6. PROPERTY, PLANT AND EQUIPMENT

	2015 \$	2014 \$
(a) Land and buildings		
Land at:		
- Independent valuation 2014 - level 2	98,454,694	98,305,555
	98,454,694	98,305,555
Land Infrastructure at:		
- Independent valuation 2014 - level 2	14,258,709	14,258,709
- Additions after valuation - cost	2,195,726	0
- Works in Progress at Cost	142,119	0
Less: accumulated depreciation	(1,558,065)	0
	15,038,489	14,258,709
Buildings at:		
- Independent valuation 2014 - level 2	137,893,125	137,893,125
- Management valuation 2015 - level 2	8,128,574	0
- Additions after valuation - cost	14,238,889	0
- Work in Progress at Cost	6,085,177	12,011,259
Less: accumulated depreciation	(4,537,035)	0
	161,808,730	149,904,384
	176,847,219	164,163,093
Total land and buildings	275,301,913	262,468,648
Furniture and Equipment at:		
- Management valuation 2013 - level 2	3,171,138	735,348
- Additions after valuation - cost	1,780,052	0
- At Fair Value	0	2,435,790
- Work in Progress at Cost	0	51,527
Less: accumulated depreciation	(2,006,829)	(872,496)
	2,944,361	2,350,169
Plant and Equipment at:		
- Management valuation 2013 - level 2	11,570,023	0
- Additions after valuation - cost	8,002,715	4,189,391
- At Fair Value	0	11,570,023
Less: accumulated depreciation	(5,043,161)	(2,558,469)
	14,529,577	13,200,945
Miscellaneous Assets at:		
- Independent valuation 2015 - level 2	441,541	0
- Additions after valuation - cost	0	119,003
Less: accumulated depreciation	0	(37,181)
	441,541	81,822
	293,217,392	278,101,584

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

6. PROPERTY, PLANT AND EQUIPMENT (cont.)

(b) Movements in Carrying Amounts	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
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Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Land	98,305,555	0	0	0	0	0	149,139	98,454,694
Total Land	98,305,555	0	0	0	0	0	149,139	98,454,694
Land Infrastructure	14,258,709	2,337,845	0	0	0	(1,558,065)	0	15,038,489
Buildings	149,904,384	8,312,806	(14,000)	8,065,243	0	(4,525,978)	66,275	161,808,730
Total Buildings	164,163,093	10,650,651	(14,000)	8,065,243	0	(6,084,043)	66,275	176,847,219
Total Land and Buildings	262,468,648	10,650,651	(14,000)	8,065,243	0	(6,084,043)	215,414	275,301,913
Furniture and Equipment	2,350,169	1,971,882	(166,281)	0	0	(1,211,409)	0	2,944,361
Plant and Equipment	13,200,945	5,221,825	(834,398)	0	0	(3,058,794)	0	14,529,577
Miscellaneous Assets	81,822	0	0	371,616	0	(2,176)	(9,722)	441,541
Total Property, Plant and Equipment	278,101,584	17,844,358	(1,014,679)	8,436,859	0	(10,356,422)	205,692	293,217,392

6. PROPERTY, PLANT AND EQUIPMENT (cont.)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2014	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land Infrastructure	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2014	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2014	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and Equipment	2	Market approach using recent observable market data for similar properties	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and Equipment	2	Market approach using recent observable market data for similar properties	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Miscellaneous Assets	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2015	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

7. INFRASTRUCTURE

(a) Infrastructure	2015 \$	2014 \$
Roads, Footpaths and Drainage		
- Management valuation 2015 - level 2	1,042,698,583	0
- Work In Progress at Cost	467,826	19,139,190
- Cost	0	422,850,559
Less: accumulated depreciation	0	(159,237,018)
	1,043,166,409	282,752,732
Other Infrastructure		
- Management valuation 2015 - level 2	98,471,011	0
- Cost	0	127,724,327
- Work In Progress at Cost	646,020	1,304,036
Less: accumulated depreciation	(647,111)	(58,812,110)
	98,469,920	70,216,253
	1,141,636,329	352,968,985

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

7. INFRASTRUCTURE (cont.)

(b) Movements in Carrying Amounts	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads, Footpaths and Drainage	282,752,732	41,856,627	0	741,319,734	0	(23,789,613)	1,026,929	1,043,166,409
Other Infrastructure	70,216,253	11,219,071	(20,525)	27,347,005	0	(9,059,263)	(1,232,621)	98,469,920
Total infrastructure	352,968,985	53,075,698	(20,525)	768,666,739	0	(32,848,876)	(205,692)	1,141,636,329

The revaluation of infrastructure assets resulted in an increase on revaluation of \$768,666,739 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the City's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads, Footpaths and Drainage	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other Infrastructure	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

8. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Current		
Sundry creditors	11,106,481	8,673,847
Accrued interest on debentures	226,363	107,143
Accrued salaries and wages	0	1,116,574
Accommodation Bonds- Bert England Lodge	2,411,083	2,919,192
	13,743,927	12,816,756

9. LONG-TERM BORROWINGS

	2015 \$	2014 \$
Current		
Secured by floating charge		
Debentures	2,050,231	991,325
	2,050,231	991,325
Non-current		
Secured by floating charge		
Debentures	16,631,894	14,978,666
	16,631,894	14,978,666

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for EPTO Leave \$	Provision for Rehabilitation Millar Rd Leave \$	Total \$
Opening balance at 1 July 2014					
Current provisions	3,763,833	2,418,131	1,440,517	0	7,622,481
Non-current provisions	0	988,691	0	6,428,715	7,417,406
	3,763,833	3,406,822	1,440,517	6,428,715	15,039,887
Additional provision	(131,912)	228,533	(32,208)	2,798,574	2,862,987
Balance at 30 June 2015	3,631,921	3,635,355	1,408,309	9,227,289	17,902,874
Comprises					
Current	3,631,921	2,803,021	1,408,309	0	7,843,251
Non-current	0	832,334	0	9,227,289	10,059,623
	3,631,921	3,635,355	1,408,309	9,227,289	17,902,874

Notes to and Forming Part of the Financial Report

11. RESERVES - CASH/INVESTMENT BACKED

	2015 \$	2015 Budget \$	2014 \$
(a) Leave Reserve			
Opening balance	5,151,479	5,151,479	2,361,372
Amount set aside / transfer to reserve	187,079	206,059	2,790,107
Amount used / transfer from reserve	0	0	0
	5,338,558	5,357,538	5,151,479
(b) Town Planning Scheme Review			
Opening balance	385,057	385,057	370,903
Amount set aside / transfer to reserve	13,983	15,402	14,154
Amount used / transfer from reserve	0	0	0
	399,040	400,459	385,057
(c) Plant, Machinery & Equip			
Opening balance	887,577	887,577	854,953
Amount set aside / transfer to reserve	32,233	35,503	32,624
Amount used / transfer from reserve	(919,810)	(923,080)	0
	0	0	887,577
(d) Public Carpark Reserve			
Opening balance	1,496,583	1,496,583	1,441,574
Amount set aside / transfer to reserve	169,865	59,863	55,009
Amount used / transfer from reserve	0	0	0
	1,666,448	1,556,446	1,496,583
(e) Waste and Landfill Preservation			
Opening balance	13,716,655	13,716,655	9,263,179
Amount set aside / transfer to reserve	498,127	548,666	4,453,476
Amount used / transfer from reserve	0	0	0
	14,214,782	14,265,321	13,716,655
(f) Administration Building Reserve			
Opening balance	460,442	460,442	443,517
Amount set aside / transfer to reserve	16,721	18,418	16,925
Amount used / transfer from reserve	0	0	0
	477,163	478,860	460,442

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

	2015 \$	2015 Budget \$	2014 \$
(g) City Centre Carpark (Cash in Lieu)			
Opening balance	526,717	526,717	507,357
Amount set aside / transfer to reserve	19,128	21,069	19,360
Amount used / transfer from reserve	0	0	0
	545,845	547,786	526,717
(h) City Centre Development Reserve			
Opening balance	2,208,819	2,128,819	2,127,630
Amount set aside / transfer to reserve	80,214	1,400,153	81,189
Amount used / transfer from reserve	0	0	0
	2,289,033	3,528,972	2,208,819
(i) Workers Compensation Reserve			
Opening balance	955,420	955,420	920,302
Amount set aside / transfer to reserve	34,697	38,217	35,118
Amount used / transfer from reserve	0	0	0
	990,117	993,637	955,420
(j) Property Valuation Fees Reserve			
Opening balance	180,734	180,734	174,091
Amount set aside / transfer to reserve	6,564	7,229	6,643
Amount used / transfer from reserve	0	0	0
	187,298	187,963	180,734
(k) Storm Damage Reserve			
Opening balance	310,859	310,859	299,432
Amount set aside / transfer to reserve	11,289	12,434	11,427
Amount used / transfer from reserve	0	0	0
	322,148	323,293	310,859
(l) Ansty Park Shared Costs Reserve			
Opening balance	800,795	800,795	771,360
Amount set aside / transfer to reserve	1,764,014	32,032	29,435
Amount used / transfer from reserve	0	0	0
	2,564,809	832,827	800,795

Notes to and Forming Part of the Financial Report

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

	2015 \$	2015 Budget \$	2014 \$
(m) Legal Fees Reserve			
Opening balance	838,369	838,369	807,554
Amount set aside / transfer to reserve	30,446	33,535	30,815
Amount used / transfer from reserve	0	0	0
	868,815	871,904	838,369
(n) Climate Change Management			
Opening balance	13,679	13,679	302,149
Amount set aside / transfer to reserve	496	547	11,530
Amount used / transfer from reserve	0	0	(300,000)
	14,175	14,226	13,679
(o) Harrington Waters Specified Area Rates Reserve			
Opening balance	144,330	144,594	50,634
Amount set aside / transfer to reserve	34,371	5,784	93,696
Amount used / transfer from reserve	0	(31,325)	0
	178,701	119,053	144,330
(p) Strategic Master Planning Reserve			
Opening balance	584,127	584,127	562,658
Amount set aside / transfer to reserve	21,213	23,365	21,469
Amount used / transfer from reserve	0	0	0
	605,340	607,492	584,127
(q) Baldivis Rd Upgrade Reserve			
Opening balance	1,344,835	1,344,835	1,094,656
Amount set aside / transfer to reserve	48,839	53,793	250,179
Amount used / transfer from reserve	0	0	0
	1,393,674	1,398,628	1,344,835
(r) Active/Aging Development Reserve			
Opening balance	163,672	166,799	265,150
Amount set aside / transfer to reserve	5,943	6,672	10,118
Amount used / transfer from reserve	0	0	(111,596)
	169,615	173,471	163,672

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

	2015 \$	2015 Budget \$	2014 \$
(s) Capital Works - Bert England Lodge - Reserve			
Opening balance	66,128	66,128	63,698
Amount set aside / transfer to reserve	2,402	2,645	2,430
Amount used / transfer from reserve	0	0	0
	68,530	68,773	66,128
(t) Learning City Strategy Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	193,258	0	0
Amount used / transfer from reserve	0	0	0
	193,258	0	0
(u) Mundijong Road Upgrade			
Opening balance	0	0	8,995,093
Amount set aside / transfer to reserve	0	0	343,245
Amount used / transfer from reserve	0	0	(9,338,338)
	0	0	0
(v) Active Aging Co-ordinator & Consultancy			
Opening balance	71,784	81,131	286,873
Amount set aside / transfer to reserve	(71,784)	3,245	10,946
Amount used / transfer from reserve	0	(84,376)	(226,035)
	0	0	71,784
(w) Challenger Court Capital Upgrade Reserve			
Opening balance	0	0	79,950
Amount set aside / transfer to reserve	0	0	69,598
Amount used / transfer from reserve	0	0	(149,548)
	0	0	0
(x) Plant & Machinery Reserve Millar Rd Landfill			
Opening balance	173,004	173,004	166,645
Amount set aside / transfer to reserve	6,283	6,920	6,359
Amount used / transfer from reserve	(179,287)	(179,924)	0
	0	0	173,004

Notes to and Forming Part of the Financial Report

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

	2015 \$	2015 Budget \$	2014 \$
(y) Capital Works & Purchases Reserve			
Opening balance	5,725,263	5,725,263	5,514,821
Amount set aside / transfer to reserve	207,915	229,011	210,442
Amount used / transfer from reserve	(828,334)	(2,400,000)	0
	5,104,844	3,554,275	5,725,263
(z) Community Security Service Charge			
Opening balance	167,995	160,867	213,613
Amount set aside / transfer to reserve	21,801	6,435	38,202
Amount used / transfer from reserve	0	(699)	(83,820)
	189,796	166,603	167,995
(aa) Developer Contribution Scheme			
Opening balance	2,410,517	1,987,910	1,667,745
Amount set aside / transfer to reserve	4,867,952	3,483,461	4,473,941
Amount used / transfer from reserve	(1,302,844)	(1,539,393)	(3,731,169)
	5,975,625	3,931,979	2,410,517
(bb) Carbon Tax Reserve			
Opening balance	3,897,226	3,897,226	2,050,000
Amount set aside / transfer to reserve	141,530	2,205,889	1,847,226
Amount used / transfer from reserve	(104,763)	0	0
	3,933,993	6,103,115	3,897,226
(cc) Peel Mosquito Control Reserve			
Opening balance	20,763	20,763	20,000
Amount set aside / transfer to reserve	754	831	763
Amount used / transfer from reserve	0	0	0
	21,517	21,594	20,763
TOTAL RESERVES	47,713,124	45,504,214	42,702,829
Total Opening balance	42,702,829	42,205,832	41,676,909
Total Amount set aside / transfer to reserve	8,345,333	8,457,178	14,966,426
Total Amount used / transfer from reserve	(3,335,038)	(5,158,796)	(13,940,506)
TOTAL RESERVES	47,713,124	45,504,214	42,702,829

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

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

(a) Leave Reserve

to be used to fund Employee Leave Liabilities.

(i) Workers Compensation Reserve

to be used to meet expenditure associated with workers compensation premiums.

(b) Town Planning Scheme Review

to be used to fund preparation costs of new and/or existing Town Planning Schemes.

(j) Property Valuation Fees Reserve

to be used to meet future valuation of properties expenditure.

(c) Plant, Machinery & Equip

to be used to fund the Plant, Machinery & Equipment Purchases.

(k) Storm Damage Reserve

to be used to meet future expenditure associated with major storm damage.

(d) Public Carpark Reserve

to be used to fund provision of Public Car Parking Facilities where developers have been unable to provide sufficient space.

(l) Ansty Park Shared Costs Reserve

to be used to receive developers funds in advance to meet future project costs.

(e) Waste and Landfill Preservation

to be used to fund expenditure associated with providing a refuse disposal service.

(m) Legal Fees Reserve

to be used to meet future expenditure incurred by Council on legal fees.

(f) Administration Building Reserve

to be used to fund Administration Complex expenditure.

(n) Climate Change Management

to be used to meet future Renewable Energy Initiative expenses.

(g) City Centre Carpark (Cash in Lieu)

to be used to fund costs associated with provisions of public infrastructure.

(o) Harrington Waters Specified Area Rates Reserve

to be used to set aside funds for the maintenance of the Reserves.

(h) City Centre Development Reserve

to be used to fund development of the City Centre.

(p) Strategic Master Planning Reserve

to be used to meet strategic planning expenses associated with the growth of the City.

Notes to and Forming Part of the Financial Report

11. RESERVES - CASH/INVESTMENT BACKED (cont.)

(q) Baldivis Rd Upgrade Reserve

to be used to receive funds paid in advance by developers for the future expenses.

(r) Active/Aging Development Reserve

to be used to meet expenses of Active Aging Programmes & Initiatives.

(s) Capital Works - Bert England Lodge - Reserve

to be used to meet future capital expenditure at Bert England Lodge.

(t) Learning City Strategy Reserve

to increase tertiary education opportunities for Rockingham residents as per the City's Learning City Strategy.

(u) Mundijong Road Upgrade

to be used to meet future expenses associated with Mundijong Road extension.

(v) Active Aging Co-ordinator & Consultancy

to be used to meet Active Aging Coordinator & associated fees.

(w) Challenger Court Capital Upgrade Reserve

to be used to meet future Challenger Court Upgrade expenses.

(x) Plant & Machinery Reserve Millar Rd Landfill

to be used to fund Plant, Machinery & Equipment purchases at the Landfill.

(y) Capital Works & Purchases Reserve

to be used to fund capital works & purchases.

(z) Community Security Service Charge

to be used to fund Community Security Service Charge.

(aa) Developer Contribution Scheme

to be used to fund Capital Works & Administration of Scheme.

(bb) Carbon Tax Reserve

to be used to fund future Carbon Tax Liabilities.

(cc) Peel Mosquito Control Reserve

to be used to fund the controlling of mosquito through the Peel Mosquito Management Group.

12. REVALUATION SURPLUS

	2015 \$	2014 \$
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Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Land and Buildings

Opening balance	150,531,512	0
Revaluation increment	8,065,243	150,531,512
	158,596,755	150,531,512

(b) Furniture and Equipment

Opening balance	817,086	0
Revaluation increment	371,617	817,086
	1,188,703	817,086

(c) Plant and Equipment

Opening balance	663,445	0
Revaluation increment	0	663,445
	663,445	663,445

(d) Roads, Footpaths and Drainage

Opening balance	31,665,262	0
Revaluation increment	741,319,734	31,665,262
	772,984,996	31,665,262

(e) Other Infrastructure

Opening balance	9,644,236	0
Revaluation increment	27,347,004	9,644,236
	36,991,240	9,644,236

TOTAL ASSET REVALUATION SURPLUS

970,425,139	193,321,541
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Notes to and Forming Part of the Financial Report

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	80,837,942	56,252,983	63,829,264

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

Net result	39,448,020	(2,880,696)	22,572,863
Less: Non Cash Contribution	(35,176,176)	0	(25,535,298)

Non-cash flows in Net result:

Depreciation	43,205,297	36,051,800	36,268,215
(Profit)/Loss on sale of asset	(70,540)	(564,084)	3,416,985

Changes in assets and liabilities:

(Increase)/Decrease in receivables	(2,366,880)	0	101,290
(Increase)/Decrease in inventories	61,337	0	460
Increase/(Decrease) in payables	927,171	(410,009)	(700,900)
Increase/(Decrease) in provisions	2,862,986	1,012,336	1,463,002
Grants contributions for the development of assets	(12,593,107)	(6,779,225)	(8,014,737)
Net cash from operating activities	36,298,109	26,430,122	29,571,879

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	500,000	54,000
Credit card balance at balance date	(28,938)	(22,781)
Total amount of credit unused	721,062	281,219

Loan facilities

Loan facilities - current	2,050,231	991,325
Loan facilities - non-current	16,631,894	14,978,666
Total facilities in use at balance date	18,682,125	15,969,991
Unused loan facilities at balance date	277,712	161,447

14. CONTINGENT LIABILITIES

The City of Rockingham has no contingent liabilities.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The City did not have any future operating lease commitments at the reporting date.

	2015 \$	2014 \$
(b) Capital Expenditure Commitments		
Contracted for:	0	356,689
Furniture Equipment & Fittings		
Road Construction	486,343	1,601,162
Building Land & Fixed Equipment	5,295,810	1,429,665
Reserve & Infrastructure	3,009,609	4,439,616
Plant, Machinery & Equipment- Various	1,282,281	770,273
Computer	263,458	283,218
Footpath & Crossovers	192,602	0
Miscellaneous Infrastructure	62,469	0
Payable:		
Not later than one year	10,592,572	8,880,623

16. JOINT VENTURE ARRANGEMENTS

The Council is a member participant in a project for the South West Management Group with the cities of Cockburn, Fremantle & Melville, and Towns of Kwinana and East Fremantle. Council's share in the net assets of the South West Group was:

	2015 \$ Unaudited	2014 \$ Audited
Amount of Interest	35,960	43,110
Cost/Project Sharing Ratio	23.60%	23.60%

Notes to and Forming Part of the Financial Report

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	24,691,787	23,356,756
Law, Order, Public Safety	4,865,857	4,054,834
Health	1,487,048	1,547,290
Education and Welfare	28,653,595	42,653,893
Housing	13,489,244	0
Community Amenities	41,677,794	42,799,142
Recreation and Culture	217,647,247	188,347,281
Transport	1,051,554,350	266,501,951
Economic Services	3,050,689	3,174,543
Other Property and Services	37,094,657	27,599,865
Unallocated	104,539,959	105,662,764
	1,528,752,227	705,698,319

18. FINANCIAL RATIOS

	2015	2014	2013
Current ratio	2.23	1.85	1.69
Asset sustainability ratio	0.80	1.13	0.74
Debt service cover ratio	12.98	11.82	4.26
Operating surplus ratio	(0.07)	(0.10)	(0.07)
Own source revenue coverage ratio	0.84	0.82	0.82

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the asset consumption ratio and the asset renewal funding ratio can be found at Supplementary Ratio Information on Page 112 of this document.

19. TRUST FUNDS

Funds held at balance date over which the City has no control and which are not included in the financial statements are as follows:

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Appeal Funds	592	0	0	592
Builders Kerb Footpath Deposit	22,620	0	0	22,620
Cash in Lieu POS Contributions	1,321,110	28,426	(337,578)	1,011,958
Castaways	0	14,675	(14,675)	0
Cat Trap Deposits	440	0	(180)	260
Cleaning Bond	66,675	82,894	(121,773)	27,796
Nomiation Deposits	80	0	0	80
Key Deposit	22,400	8,460	(7,540)	23,320
Landscape Bonds	35,727	0	(34,727)	1,000
Lease Agreement Bond Deposit	10,000	10,000	(5,000)	15,000
Mary Davies Library	3,500	55,750	(38,250)	21,000
Recreation Equipment	550	0	(350)	200
Sewerage Connection	218,411	7,747	(226,158)	0
Challenger Court Entry Contribution	193,101	0	(92,342)	100,759
Subdivisional Bonds	4,100,258	1,722,358	(2,654,714)	3,167,902
Town Planning Scheme Amendments	15,033	1,000	(12,072)	3,961
Trust- Other	218,746	5,250	(151,252)	72,744
Unclaimed Monies	12,252	0	0	12,252
Work Deposit Prepayments	126,175	0	(126,175)	0
	6,367,670	1,936,560	(3,822,786)	4,481,444

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land	0	143,149	0	1,315,000	0	1,171,851
Miscellaneous Infrastructure	20,523	0	0	0	(20,523)	0
Furniture and Equipment	166,280	0	3,583	0	(162,697)	0
Plant Machinery & Equipment	834,398	1,840,157	1,102,158	1,232,390	267,760	(607,767)
Building & Fixed Equipment	14,000	0	0	0	(14,000)	0
	1,035,201	1,983,306	1,105,741	2,547,390	70,540	564,084
					Profit	70,540
					Loss	0
						1,688,925
						(1,124,841)
						564,084

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures		Principal Repayments		Principal 30 June 2015		Interest Repayments	
Particulars	Principal 1 July 2014 \$	New Loans \$	Actual \$	Budget \$	Actual \$	Budget \$	Budget \$
Law, order, public safety							
Loan No. 263- Dog Pound	667,062	0	28,390	28,390	638,672	638,672	49,615
Community Amenities							
(SSL) Loan No. 232- R'ham Environmental Centre	3,998	0	3,998	3,998	0	0	145
Loan No. 261 - Community Projects Building	22,717	0	22,717	22,717	0	0	767
Recreation and culture							
(SSL) Loan No. 212 (1) - R'ham Entertainers	76,816	0	5,427	5,427	71,389	71,389	4,629
(SSL) Loan No. 242 - Rockingham Bowling Club	106,709	0	11,488	11,488	95,221	95,221	6,648
Loan No. 244H - Wambro Recreation Centre	594,273	0	53,088	53,088	541,185	541,185	41,163
Loan No. 244I - Wambro Recreation Centre	595,015	0	53,084	53,084	541,931	541,931	41,407
Loan No. 244J - Wambro Recreation Centre	892,354	0	79,627	79,627	812,727	812,727	62,056
Loan No. 245 (1) - Waterfront Village	343,673	0	22,971	22,971	320,702	320,702	20,246
Loan No. 245 (2) - Waterfront Village	345,581	0	22,874	22,874	322,707	322,707	20,974
Loan No. 245 (3) - Waterfront Village	347,894	0	22,753	22,753	325,141	325,141	21,871
Loan No. 245 (4) - Waterfront Village	344,205	0	22,943	22,943	321,262	321,262	20,448
Loan No. 252 (1) - Larkhill Development	343,673	0	22,971	22,971	320,702	320,702	20,246
Loan No. 252 (2) - Larkhill Development	518,371	0	34,311	34,311	484,060	484,060	31,461
Loan No. 252 (3) - Larkhill Development	347,895	0	22,753	22,753	325,142	325,142	21,871
Loan No. 264 (1) - Larkhill Regional Sporting Complex	688,408	0	45,888	45,888	642,520	642,520	40,896
Loan No. 270B - Larkhill Development	370,057	0	21,326	21,326	348,731	348,731	23,582
Loan 274 - Larkhill Development	1,971,760	0	97,976	97,976	1,873,784	1,873,784	135,360

21. INFORMATION ON BORROWINGS (cont.)

(a) Repayments - Debentures			Principal Repayments			Principal 30 June 2015			Interest Repayments		
Particulars	Principal 1 July 2014 \$	New Loans \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$
Loan 275- Larkhill Development	2,084,571	0	88,717	88,717	1,995,854	1,995,854	160,808	155,047			
Loan 276- Larkhill Development	5,002,971	0	212,922	212,922	4,790,049	4,790,049	385,939	372,114			
Loan 277- Jetties	195,865	0	43,691	43,691	152,174	152,174	14,586	14,138			
Other Property and Services											
Loan No. 265 - City Centre Devpt Lot 80	106,124	0	51,409	51,409	54,715	54,715	6,169	6,159			
Shoalwater Underground Power Project	0	4,200,000	496,541	509,991	3,703,459	3,690,009	105,810	74,549			
	15,969,991	4,200,000	1,487,865	1,501,315	18,682,125	18,668,676	1,301,496	1,185,392			

(SSL) Self supporting loan financed by payments from third parties. All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2014/15			Amount Borrowed			Amount Used		
Particulars/Purpose	Actual \$	Budget \$	Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Balance Unspent \$
Shoalwater Underground Power Project	4,200,000	4,200,000	WATC	Bank Loan	4	318,207	3.31%	3,703,459
	4,200,000	4,200,000				318,207		3,703,459

For the year ended 30 June 2015

Notes to and Forming Part of the Financial Report

(a) Rates											
Rate Type	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross Rental Value Valuations											
Residential	0.05937	27,055	537,459,424	31,908,966	894,781	0	32,803,747	31,901,905	800,000	0	32,701,905
Non Residential	0.07092	1,098	143,368,778	10,167,714	177,283	0	10,344,997	10,165,675	75,000	0	10,240,675
Unimproved Value Valuations											
Improved	0.00097	86	139,160,000	134,985	(4,081)	0	130,904	134,985	0	0	134,985
Vacant	0.00097	98	259,610,000	251,822	22,587	0	274,409	251,822	40,000	0	291,822
Sub-Totals		28,337	1,079,598,202	42,463,487	1,090,570	0	43,554,057	42,454,387	915,000	0	43,369,387
Minimum payment											
Minimum \$											
Gross rental value valuations											
Residential	949	21,484	266,004,877	20,388,316	0	0	20,388,316	20,393,061	0	0	20,393,061
Non Residential	949	312	1,855,776	296,088	0	0	296,088	297,037	0	0	297,037
Unimproved Value Valuations											
Improved	480	72	26,152,000	34,560	0	0	34,560	34,560	0	0	34,560
Vacant	480	39	12,126,775	18,720	0	0	18,720	18,720	0	0	18,720
Sub-Totals		21,907	306,139,428	20,737,684	0	0	20,737,684	20,743,378	0	0	20,743,378
Rates in advance											
64,291,741											
Written off Rates											
413,307											
(7,811)											
Total Amount Raised From General Rate											
64,697,237											
Specified Area Rate (refer note 23)											
32,838											
31,975											
Totals											
64,730,075											

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (cont.)

(b) Information on Surplus/(Deficit) Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	28,233,252	14,911,425	14,911,425
Comprises:			
Cash and cash equivalents			
Unrestricted	29,116,887	20,635,533	20,635,533
Restricted	51,721,055	43,193,731	43,193,731
Receivables			
Rates outstanding	3,709,442	3,323,933	3,323,933
Sundry debtors	6,105,367	4,266,521	4,266,521
GST receivable	0	(77,706)	(77,706)
Self Supporting Loans	17,994	20,912	20,912
Sundry Debtors- Southern Cross Care	138,845	161,160	161,160
Self Supporting Advances	23,535	22,553	22,553
Inventories			
Fuel and materials	155,132	216,469	216,469
Land held for resale - cost			
Cost of acquisition	1,471,000	1,471,000	1,471,000
Less:			
Trade and other payables			
Sundry creditors	(11,106,481)	(8,673,847)	(8,673,847)
Accrued interest on debentures	(226,363)	(107,143)	(107,143)
Accrued salaries and wages	0	(1,116,574)	(1,116,574)
Accommodation Bonds- Bert England Lodge	(2,411,083)	(2,919,192)	(2,919,192)
Current portion of long term borrowings			
Secured by floating charge	(2,050,231)	(991,324)	(991,324)
Provisions			
Provision for annual leave	(3,631,921)	(3,763,833)	(3,763,833)
Provision for Sick Leave (EPTO)	(1,408,309)	(1,440,517)	(1,440,517)
Provision for long service leave	(2,803,021)	(2,418,130)	(2,418,130)
Net current assets	68,821,847	51,803,545	51,803,545
Less:			
Reserves - restricted cash	(47,713,124)	(42,702,829)	(42,702,829)
Loans - Clubs/Institutions	(17,994)	(20,912)	(20,912)
Self Supporting Advances	(23,535)	(22,553)	(22,553)
Revaluation of Land Held for Sale	(1,319,114)	(1,319,114)	(1,319,114)
Add:			
Secured by floating charge	2,050,231	991,324	991,324
Provisions for Annual Leave	3,631,921	3,763,833	3,763,833
Provisions for Long Service Leave	2,803,021	2,418,131	2,418,131
Surplus/(deficit) Difference	28,233,252	14,911,425	14,911,425

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

Notes to and Forming Part of the Financial Report

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Harrington Waters							
Rate	0.0025	GRV	12,919,700	32,838	31,975	32,838	31,975
				32,838	31,975	32,838	31,975

The specified area rate for the upkeep of parks in the Harrington Water Estate. The upkeep is at a higher level than other parks in the City.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Security Services Levy					
For the provision of security patrols for the whole of the City of Rockingham.	33.30	1,777,876	1,761,478	1,777,876	1,761,478
		1,777,876	1,761,478	1,777,876	1,761,478

Underground Power- Shoalwater North

For the provision of Underground power to the properties in the Shoalwater North Area.

Shoalwater North Underground Power - 1	820	543,810	317,340	543,810	317,340
Shoalwater North Underground Power - 2	838	23,719	16,765	23,719	16,765
Shoalwater North Underground Power - 3	850	55,422	39,112	55,422	39,112
Shoalwater North Underground Power - 4	865	67,706	42,397	67,706	42,397
Shoalwater North Underground Power - 5	910	34,025	21,846	34,025	21,846
Shoalwater North Underground Power - 6	1,181	1,182,583	684,690	1,182,583	684,690
Shoalwater North Underground Power - 7	656	7,219	1,313	7,219	1,313
Shoalwater North Underground Power - 8	904	3,320	904	3,320	904
Shoalwater North Underground Power - 9	856	39,330	25,688	39,330	25,688
Shoalwater North Underground Power - 10	860	16,885	7,742	16,885	7,742
Shoalwater North Underground Power - 11	872	8,420	6,101	8,420	6,101
Shoalwater North Underground Power - 12	880	14,960	5,282	14,960	5,282
Shoalwater North Underground Power - 13	2,000	7,411	0	7,411	0
Shoalwater North Underground Power - 14	462	462	0	462	0
Shoalwater North Underground Power - 15	1,000	2,001	0	2,001	0
		2,007,272	1,169,180	2,007,272	1,169,180
		3,785,147	2,930,658	3,785,147	2,930,658

The service charge is for the provision of Security Patrols for the whole of the City of Rockingham. The charge is applicable to all owners of property in the City of Rockingham. The proceeds of the service charge are applied in full to the costs of maintaining the service.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2014/15 FINANCIAL YEAR

The National Australia Bank provided ten prizes of \$500, and the City of Rockingham Community Bank two prizes of \$500, each of which was drawn on a random basis by computer generation of ratepayers who have paid their rates and service charges in full (including arrears) by the due date for payment of rates of 15 August 2014.

Notes to and Forming Part of the Financial Report

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	10.00%	0	402,081	310,000
Interest on instalments plan	5.50%	0	377,455	340,000
Charges on instalment plan	0	3.50	0	0
Pensioner deferred rate interest	2.85%	0	42,398	52,000
			821,934	702,000

a) Full Payment Option

Date of Issue	11 July 2014
Full Payment Due	15 August 2014

b) Two Payment Option

Date of Issue	11 July 2014
1st Instalment Due	15 August 2014
Final Instalment Due	15 December 2014

c) Four Payment Option

Date of Issue	11 July 2014
1st Instalment Due	15 August 2014
2nd Instalment Due	15 October 2014
3rd Instalment Due	15 December 2014
Final Instalment Due	16 February 2015

27. FEES & CHARGES

	2015 \$	2014 \$
Governance	1,104	246
General purpose funding	497,947	516,104
Law, order, public safety	742,976	612,967
Health	199,782	284,733
Education and welfare	910,783	1,015,183
Housing	414,896	345,931
Community amenities	35,634,918	37,330,315
Recreation and culture	1,446,093	1,185,220
Transport	136,594	188,367
Economic services	1,865,963	2,039,972
Other property and services	374,274	295,277
	42,225,330	43,814,315

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

28. GRANT REVENUE

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

	2015 \$	2014 \$
By Nature or Type:		
Operating grants, subsidies and contributions	8,544,073	8,934,053
Non-operating grants, subsidies and contributions	47,769,283	33,550,035
	56,313,356	42,484,088
By Program:		
Governance	558,845	216,859
General purpose funding	6,527,725	2,070,057
Law, order, public safety	1,201,569	920,273
Health	19,276	13,143
Education and welfare	974,117	1,164,422
Housing	630	1,331
Community amenities	6,395,880	4,105,394
Recreation and culture	5,295,255	9,389,807
Transport	35,019,909	24,334,158
Economic services	4,018	4,115
Other property and services	316,131	264,527
	56,313,356	42,484,088

29. EMPLOYEE NUMBERS

	2015	2014
The number of full-time equivalent employees at balance date	484	462

30. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

	2015 \$	2015 Budget \$	2014 \$
Meeting Fees	329,204	315,000	315,359
Mayor's allowance	87,550	85,000	85,041
Deputy Mayor's allowance	22,729	21,250	21,250
Members Incidental Expenses	2,070	0	3,503
Travelling expenses	14,302	18,720	21,248
Telecommunications allowance	35,000	35,000	35,971
	490,855	474,970	482,372

Notes to and Forming Part of the Financial Report

31. MAJOR LAND TRANSACTIONS

(a) Details

This is land which Councils administration office stands on. Some of it was separated into separate lots to enable them to be sold off. Lots 401 was sold in 2012/13. Lot 200 and 201 remain to be sold and are shown as non current assets held for sale in the balance sheet (Valuation \$1,471,000).

(b) Current year transactions	2015 \$	2015 Budget \$	2014 \$
Operating income			
Profit on sale	0	0	0
Capital income			
Sale proceeds	0	0	0
Capital expenditure			
Purchase of land	0	0	0
Development costs	0	0	0
	0	0	0

(c) Expected Future Cash Flows	2016 \$	2017 \$	2018 \$	2019 \$	Total \$
Cash outflows					
Development costs	0	0	0	0	0
Loan repayments	0	0	0	0	0
	0	0	0	0	0
Cash inflows					
Loan proceeds	0	0	0	0	0
Sale proceeds	1,500,000	0	0	0	1,500,000
	1,500,000	0	0	0	1,500,000
Net cash flows	1,500,000	0	0	0	1,500,000

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Millar Road Landfill Facility based at Lot 2170 Millar Road West in Baldivis is a very important asset to the City, providing an essential waste disposal service and making significant, ongoing, financial contributions to the City. The City has a separate trading undertaking for the Landfill facility at Millar Road.

	2014/15 Actual \$	2014/15 Budget \$
Operating		
Operating Revenue		
Landfill Operations	24,086,589	22,978,027
Transfer Station	2,395,010	2,486,300
Recycling Operations	444,682	681,000
	26,926,281	26,145,327
Operating Expenditure		
Landfill Operations	(15,351,191)	(14,073,706)
Transfer Station	(1,641,522)	(1,309,070)
Recycling Operations	(246,612)	(381,904)
	(17,239,325)	(15,764,680)
Net Operating Result	9,686,956	10,380,647
Non Operating		
Non Operating Revenue		
Landfill Operations	472,380	301,173
Transfer Station	0	0
Recycling Operations	0	0
	472,380	301,173
Non Operating Expenditure		
Landfill Operations	(3,240,654)	(6,162,170)
Transfer Station	0	0
Recycling Operations	0	0
	(3,240,654)	(6,162,170)
Net Capital Movement	(2,768,274)	(5,860,997)
Net Overall Result	6,918,682	4,519,650

Notes to and Forming Part of the Financial Report

33. FINANCIAL RISK MANAGEMENT

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets				
Cash and cash equivalents	80,837,942	63,829,264	80,837,942	63,829,264
Receivables	11,434,432	9,111,018	11,434,432	9,111,018
	92,272,374	72,940,282	92,272,374	72,940,282
Financial liabilities				
Payables	13,743,927	12,816,756	13,743,927	12,816,756
Borrowings	18,682,125	15,969,991	18,682,125	15,969,991
	32,426,051	28,786,747	32,426,051	28,786,747

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

33. FINANCIAL RISK MANAGEMENT (cont.)

(a) Cash and Cash Equivalents

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the City.

The City manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2015 \$	2014 \$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
Equity	808,379	638,292
Statement of Comprehensive Income	808,379	638,292 ⁽²⁾

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

⁽²⁾ Maximum impact.

Notes to and Forming Part of the Financial Report

33. FINANCIAL RISK MANAGEMENT (cont.)

(b) Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The City makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the City's credit risk at balance date was:

	2015	2014
Percentage of rates and annual charges		
Current	0%	0%
Overdue	100%	100%
Percentage of other receivables		
Current	89%	85%
Overdue	11%	15%

33. FINANCIAL RISK MANAGEMENT (cont.)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. 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.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2015					
Payables	13,743,927	0	0	13,743,927	13,743,927
Borrowings	3,206,644	12,853,730	9,890,878	25,951,252	18,682,125
	16,950,571	12,853,730	9,890,878	39,695,179	32,426,052
2014					
Payables	12,816,756	0	0	12,816,756	12,816,756
Borrowings	2,102,168	10,337,819	10,754,473	23,194,460	15,969,990
	14,918,924	10,337,819	10,754,473	36,011,216	28,786,746

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2015

33. FINANCIAL RISK MANAGEMENT (cont.)

(c) Payables

Borrowings (continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debentures	54,715	0	1,083,116	3,855,633	0	13,688,661	18,682,124	6.99%
Weighted average								
Effective interest rate	6.33%	0.00%	7.10%	3.48%	0.00%	6.99%		
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debentures	26,714	106,125	0	1,189,288	195,866	14,451,997	15,969,990	6.98%
Weighted average								
Effective interest rate	6.13%	6.33%	0.00%	7.10%	7.51%	6.98%		

34. AGED CARE REPORTING NOTE

This note discloses the revenue, expenditure, assets and liabilities of Bert England Lodge in accordance with subparagraph 21.26F (3)(e) of the Residential Care Subsidy Principles 1997.

	2015 \$	2014 \$
Revenue		
Other Revenue	2,901,366	2,767,462
Expenditure		
Other Expenses	(42,335)	(38,896)
Utility Charges	(95,998)	(97,668)
Contractor Expense	(1,731,946)	(1,694,670)
Consultancy Costs	(226,640)	(222,153)
Minor Capital Expenditure	(6,395)	(5,413)
Property Expense	(130,233)	(118,861)
Food Expense	(132,639)	(135,582)
Training Costs	(15,520)	(5,400)
Stationery	(5,079)	(6,084)
Transport	(2,830)	(14,469)
Residential care expense	(78,900)	(73,279)
Interest Expenses	(12,316)	(5,438)
Total Expenditure	(2,480,831)	(2,417,911)
Operating Result	420,535	349,551
Assets		
Total Assets	5,246,394	5,291,325
Liabilities		
Total Liabilities	2,836,116	3,301,583
Net Assets	2,410,278	1,989,742
Equity		
Accumulated Surplus	1,989,743	1,640,191
Current Year	420,535	349,551
	2,410,278	1,989,742

Accounting Policies

Revenues and expenses are those directly attributable to Bert England Lodge and include any joint revenue and expenses where a reasonable basis of allocation exists. Assets include all assets used by Bert England Lodge and consist principally of cash, receivables and inventory. Bert England lodge liabilities consist principally of payables and provisions.

**Independent Auditor's Report
To the Ratepayers of City of Rockingham**

We have audited the accompanying financial report of City of Rockingham ("the Council") which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income by program, the statement of profit or loss and other comprehensive income by nature and type, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Chief Executive Officer's statement.

Council's responsibility for the financial report

The Council of the City of Rockingham is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Rockingham's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the financial report of the City of Rockingham:

- (i) gives a true and fair view of the City of Rockingham's financial position as at 30 June 2015 and of its performance for the financial year ended 30 June 2015;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 20 October 2015

Supplementary Ratio Information

For the year ended 30 June 2015

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report 2015.

	2015	2014	2013
Asset consumption ratio	73%	68%	68%
Asset renewal funding ratio	87%	96%	69%

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



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