

..... CITY OF ROCKINGHAM

Annual Report

..... 2015/2016





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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 262km², including 42 kilometres of spectacular coastline, it is bounded by the City of Kwinana in the north, the Shire of Serpentine-Jarrahdale 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.

Over the past decade the City of Rockingham has been the fourth fastest growing municipality in Perth and is now home to more than 130,000 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 the next 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”.

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:



TOURISM LIFESTYLE



STRONG COMMUNITY



QUALITY LEADERSHIP



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.

Performance Highlights Against the Community Plan

During 2015/2016 the City continued to work hard to meet the objectives of our Strategic Community Plan by developing and implementing various strategies and plans under each of the four key aspirations:



QUALITY LEADERSHIP



STRONG COMMUNITY



TOURISM LIFESTYLE



SUSTAINABLE ENVIRONMENT

Following is a brief snapshot of what has been achieved in these areas.





Quality Leadership

In financial management, governance, community engagement and the development of infrastructure, quality leadership is essential.

We have expanded our community engagement through the City's website, social media, workshops, surveys, direct mail, advertising and advisory committees.

Every month the City performs citizenship ceremonies, welcoming around 1,000 new citizens every year. Last year the City issued more than 580 development approvals and facilitated the creation of more than 1,500 new lots.

At the 2016 Australian Coastal Awards, the City won the Annual Achievement Award for its work on the Rockingham Beach Foreshore Master Plan and, as a member of the Peron Naturaliste Partnership (PNP), we also won the Climate Adaptation Award for PNP's Coastal Monitoring Program. The City's Director of Planning and Development Services received the Local Government Planning Association's 2015 award for Most Significant Contribution to Planning for his outstanding work on the R Codes review.



Strong Community

Work is well underway on the Golden Bay Sports Pavilion and Singleton Sports and Community Centre at a cost of \$9 million, with \$716,000 received in grant funding from the State Government through the Department of Sport and Recreation.

Construction finished on the \$5 million Secret Harbour Surf Life Saving Club in February, providing a new home for the club and a range of community facilities that will help to activate this part of the coast.

We run a variety of events aimed at bringing the community together and making the City of Rockingham a great place to live. The City operates four innovative and highly popular libraries which attract 300,000 visitors – and loan out half a million books – each year. In 2015 we issued more than \$500,000 worth of grants to community groups.

To enhance community safety, the City implemented SmartWatch, a brand new vehicle patrol service that provides a live video feed to the Rockingham Police, and installed 53 new CCTV cameras in 2015.



Tourism Lifestyle

One of our aspirations is to create a unique tourism lifestyle that attracts and supports residents and businesses by capitalising on our wonderful natural features and attractions.

We have been actively promoting the City's major precincts to investors, and progressing the business case for a major hotel in Rockingham. We prepared a strong and successful application for a \$5 million Federal grant to assist with the revitalisation of the Rockingham Foreshore and began planning and consultation for construction of the \$10 million first stage of the revitalisation at Wanliss Street.



Sustainable Environment

As part of its Climate and Environmental Initiative Program, the City has significantly reduced its power costs and environmental footprint with the installation of solar panels on many of the City's major buildings. This includes the Administration Building, Autumn Centre, Mary Davies Library and Community Centre, and Challenger Court, with several more sites to be added in the future.

The City also reviewed its greenhouse gas emissions activities with a target to reduce emissions across all of its operations.

Research and planning began for the roll-out of the three-bin system to collect more recycled materials and green waste from households in 2017.

Meanwhile, the City's LitterBusters team removed 300 tonnes of rubbish in 2015 thanks to an average of 220 reports a month received from the community.

Mary Davies Library and Community Centre

\$12.3 million

State of the art facilities and technology in Baldivis.

Three Bin Waste System

Red lid: General waste
Yellow lid: Recycling waste
Lime lid: Green waste

Baldivis South Community Centre

\$3.5 million

A multi-purpose community centre.

New Sports Facilities

\$9 million

Golden Bay Sports Pavilion and Singleton Sports and Community Centre.

CCTV Cameras

53 new CCTV cameras to increase safety and public security.

Planning

Creation of 1687 new lots.

SmartWatch

A vehicle-based community patrol service.

Road Infrastructure

\$10 million

Maintenance and upgrades to road infrastructure.

Enclosed Dog Park

\$165,000

Located in Bayview Reserve, Rockingham

LitterBusters

Rapid response team. More than 300 tonnes of rubbish removed in 2015.

Baldivis District Sportsplex

\$15 million

A multi-purpose facility comprising playing fields, hard courts, recreation space and amenities.

Rockingham and Baldivis Outdoor Youth Spaces

\$2 million

Purpose-built outdoor facilities dedicated to outdoor youth activities.





Population Growth

589 development approvals over 12 months, totalling \$594 million.

Community Events

Annual calendar of community events including New Year's Eve and Australia Day.

Parks and Playgrounds

Upkeep of 203 playgrounds, 124 BBQs and 3432 street and park lights.

Secret Harbour Surf Life Saving Club

\$6.7 million

Enables recreational and community activities close to the water.

Rockingham Beach Foreshore Revitalisation

\$10 million

Redevelopment of Rockingham Foreshore to a coastal park.

Castaways Sculpture Awards

Annual community sculpture competition that attracts approximately 20,000 visitors.

Community Engagement

\$2 million

Workshops, opinion polls and surveys.

Boating Facilities

Maintenance of 11 jetties and 8 boat launching facilities.

Mike Barnett Netball Courts

\$340,000

Upgrade to outdoor netball courts.

Growing and Maintaining

The City of Rockingham is one of the largest metropolitan Local Government Areas in WA. Our population is estimated to increase to around 160,000 by 2021. That means about 10,000 additional households using our facilities in just five years.

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*.





Our Council: Rockingham Ward



CR BARRY SAMMELS

Phone: 9592 2344

Email: barry.sammels@rockingham.wa.gov.au

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 33 years, Mayor of the City for 13 years and a Councillor for 19 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 stronger partnerships with State and Federal Government.



CR KELLY MCMANUS

Phone: 0438 060 169

Email: kdmcmamus68@gmail.com

Kelly has lived and worked in this area for more than 20 years and knows the demands of being a working mum. She believes that everyone has a part to play in the progress of our community, and in keeping our City the beautiful and vibrant place it is today. She has two adult children and is very interested in addressing the issues facing families, young job seekers and the less fortunate members of our community. Her special interests include diving (she is a marine dive master), triathlon, health and wellbeing, and education. She is involved in several committees, including Corporate and Community Development Committee, City Safe Advisory Committee, and the Neighbourhood Watch Advisory Committee.



CR JOY STEWART

Phone: 9592 4948, 0421 021 711

Email: crjoystewart@gmail.com

Joy Stewart has always been an active member of the community, being involved with many different organisations and sporting groups over the 42 years of living in Rockingham. She was Commodore of The Cruising Yacht Club from 2003-2005 and was elected as a Rockingham Ward Councillor with the City of Rockingham in 2007. This is now her third term on Council, being elected again for four years in 2015.

Joy was one of the first people in Australia to earn a Diploma in Local Government during her first term. She 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.

She serves as a Council representative on several Advisory and Occasional Committees, including Active Ageing and Care, Disability Access and Inclusion, Neighbours Unite, Marine Infrastructure, Corporate and Community Development, Christmas Decorations, Pioneers Luncheon Working Party and the Governance Review.

Outside Council, committees include being on the Boards of the Rockingham Beach Primary School and Rockingham Senior High School Special Education Committees, Rockingham Peel Group Consumer Advisory Council and the Clinical Handover Committee, as well as being Patron to the Rockingham Museum (Rockingham District Historical Society Inc). Joy is also President of the Mature Adult Learning Association (Rockingham branch) and a Bingo Caller for the Navy Club as well as the Autumn Centre. She is committed to the area and brings the qualities of leadership, fairness and open communication to her role as a local government Councillor.

"It is exciting to be involved in the strategic direction of the City of Rockingham. I believe in developing and implementing solutions that help the area to thrive and reach its potential, in a way that aligns to values and cultures. I am committed to delivering changes, giving back to the community and am passionate about balancing progress and lifestyle."

Our Council: Safety Bay Ward



DEPUTY MAYOR DEB HAMBLIN

Phone: 0404 895 046

Email: deb.hamblin@gmail.com

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 38 years. She is Vice Chair of the Library Board of Western Australia, Chair of the Library Board Audit Committee 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, Planning and Engineering, City Safe and Global Friendship Committee. She enjoys her role in assisting local residents and working towards an even better Rockingham community.



CR LEIGH LILEY

Phone: 9593 8362

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

A Rockingham resident for many years, Leigh was educated locally, holds a Bachelor and Master of Education Leadership degree, taught in several of our primary schools and believes she lives in one of "WA's best kept secrets". In her fourth term as Councillor for Safety Bay Ward, Leigh is passionate about the needs and lifestyle of our community and is wholeheartedly committed to working towards the creation of a vibrant City with a relaxed coastal lifestyle, offering the best facilities available.

Chairing the Corporate and Community Development, Grants Committee, Marine Infrastructure and several other committees, Leigh has been able to represent and voice the concerns of the Rockingham community and influence decisions evidenced by lobbying for facilities, infrastructure, programs and assistance for community groups and the city's many volunteers.



CR KATHERINE SUMMERS

Phone: 0434 938 662

Email: ksummers1@inet.net.au

Katherine is a first-time Councillor. She has degrees in Fine Art, Education, is a high school teacher and part-time law student. As a mother of two teenagers, she is keenly aware of the challenges facing young people, and their families, and is very interested in creating opportunities for young people. She is also a best-selling author, cartoonist and journalist, and has maintained her own blog for years at katherinesummers.com.au. She is a founder of 'No Harm Health' and lobbyist for medical reform in Australia. She is also involved in several committees including Global Friendship, Rockingham Education and Training Advisory Committee (RETAC) and the Rockingham Lakes Regional Park Advisory Committee.

Our Council: Baldivis Ward



CR LEE DOWNHAM

Email: lwdownham@gmail.com

Lee is an ex-Army Warrant Officer and a Chartered Manager who has been living in Baldivis for six years. He is married with two young children. He is a Business Excellence consultant and the President of Baldivis Events Inc. He is also an avid advocate of strong community cohesion. He is particularly interested in ensuring sufficient infrastructure in the area to accommodate all ages (especially teenagers). His goal in becoming a Councillor is to ensure robust communication and provide a conduit between Council and residents. He is involved with several committees including Corporate and Community Development, Governance Review, Rockingham Kwinana Regional Domestic Violence Committee and the South West Corridor Planning and Infrastructure Committee.



CR MATTHEW WHITFIELD

Phone: 0405 637 894

Email: matthew@baldiviscouncillor.com

Matt lives in Baldivis and coaches sporting teams and is on many boards of not-for-profits and schools in the suburb, and embraces his Councillor role on a full-time basis.

Matt is 40 and is married to Ann who is a nurse and has two young cheeky boys and has been a police officer, banking manager, small business owner and cruise director.

Matt has been a Councillor since 2012 and is proud of his role in achieving, with the council, common sense outcomes that save ratepayers money, assist in deterring crime, attract tourists and bringing forward much-needed community facilities into our growth areas. Matt believes there is more to do and will be fighting to ensure the City becomes more transparent, does more for small business and advocates for better telecommunications and public transport delivery throughout the City, and these will be his focus moving forwards.

Being a Councillor is a real honour and Matt is proud to be an elected member of Council.

Our Council: Comet Bay Ward



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 18 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 to 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

Phone: 0408 912 244

Email: crjustinsmith@icloud.com

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 of 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

Welcome to the City of Rockingham's Annual Report for the year ended June 30 2016, a period marked by the commencement of some exciting new projects and the continued growth of our community.

The 2015/2016 budget was developed to meet the objectives of the City's Business Plan. In the lead up to the adoption of the budget significant effort was directed to community consultation. The City of Rockingham Community Plan engaged a considerable number of ratepayers in its preparation, and the supporting Community Plan Strategies have all involved community consultation. All these documents help guide the development of the annual budget.

Councillors and staff have continued to work closely together to ensure that strategic financial planning is a key driver in creating a sound and sustainable foundation for the future.

MAJOR PROJECTS



Golden Bay and Singleton Sports Facilities

Work commenced on the construction of both the Singleton Sports and Community Centre at Laurie Stanford Reserve, and the Golden Bay Sports Pavilion at Rhonda Scarrott Reserve on 14 March 2016.

The City gratefully acknowledges the support of the Department of Sport and Recreation which contributed \$369,000 to the Singleton Sports Complex and \$347,000 to the Golden Bay Sports Pavilion. Both facilities are expected to be completed by March 2017.

Rockingham Beach Foreshore Master Plan

The Rockingham Beach Foreshore Master Plan was adopted by Council in July 2015. Thanks to a strong application, the City was successful in winning \$5 million in Australian Government grant funding through the National Stronger Regions Fund for Stage One of the project, to match the \$5 million contributed by the City. Preliminary investigations have been undertaken, including traffic modelling and conceptual designs of relevant intersections. Work on the Detailed Design for Stage One commenced in June 2016.

Baldivis South Sports Pavilion

Design of the clubroom facility to be built on Eighty Road Reserve, Baldivis South, was finalised towards the end of the financial year. At an estimated cost of \$4.09 million, the project includes the clubroom facility, sports floodlighting, car parking and other associated infrastructure. The project has been awarded \$450,000 in Community Sport and Recreation Facilities Funding by the Department of Sport and Recreation.

Rockingham SmartWatch

The City's new community safety service, Rockingham SmartWatch, was rolled out in December 2015. The SmartWatch fleet of distinctively branded vehicles provides a sustained and highly visible community-based surveillance service using the best available technology for use on vehicles. International, national and state research projects have established a clear link between visible community safety service and the perception of safety at a community level.



Secret Harbour Surf Life Saving Club Building

Construction of the new and enhanced Secret Harbour Surf Life Saving Club building was completed in early in 2016. The \$5 million facility was supported by the Department of Sport and Recreation and Lotterywest which each contributed \$700,000. As well as providing a home for the Secret Harbour Life Saving Club, this civic-scale building will provide a range of community facilities and will help activate this part of the coast, drawing more people and activity to the area.

OUTGOING AND INCOMING

I would like to express the City's deepest appreciation to the three outgoing Councillors – Richard Smith, Allan Hill and Ron Pease. Their contributions to the community have been greatly appreciated over many years. Richard and Allan contributed a combined total of 33 years of service to the City, and helped guide our community through a period of significant change.

It's my pleasure to welcome three new Councillors – Kelly McManus (Rockingham Ward), Katherine Summers (Safety Bay Ward) and Lee Downham (Baldivis Ward).

Thank you to all my fellow Councillors for their enthusiasm and hard work during 2015/2016. Each Councillor is passionate about creating and maintaining a strong, inclusive, and welcoming community that supports the aspirations of our residents.

Barry Sammels

City of Rockingham Mayor



CEO's Report

FINANCIAL POSITION

The budget is the result of a six-month consultation phase between the City and the community, and a great deal of communication and engagement between Councillors and staff. To meet the objectives of the City's Business Plan, the 2015/2016 Budget included a rate increase of 7% for residential properties. The rates yield provided 48% of the City's overall official operating income for the year and represents an important step towards securing the City's financial position.

The City's ability to meet the many and varied needs of our large and rapidly growing population, while continuing to maintain and replace existing assets as effectively as possible, will be assured through our commitment to careful planning and rigorous budgeting.

In 2015/2016 the City of Rockingham had the lowest average rates per assessment, and the second lowest rates per head of population, compared to neighbouring Local Government Areas.

2015 CUSTOMER SURVEY

During the survey period 1375 valid forms were returned, providing a wealth of useful data about our community's perceptions of the City's work in a range of important areas. The survey revealed that the City has improved its average performance score out of 5 from 3.8 in 2014 to 3.9 in 2015.



Respondents consider the City to be performing well in the areas of rubbish collection, parks and gardens, local roads, street lighting, libraries and other facilities, and fire and litter management. Areas identified for greater focus included footpaths and cycle ways, graffiti management, community health and wellbeing, caring for the environment, safety programs and public toilets.

RISK MANAGEMENT FRAMEWORK

Amendments to the Local Government (Audit) Regulations 1996—Regulation 17 came into effect in early 2013, requiring the Chief Executive Officer to review the effectiveness of the City's risk management systems and procedures at least every two years.

In July 2015, following extensive internal engagement and evaluation of industry best practices, the existing risk management system was reviewed and optimised to ensure it was fit-for-purpose. As a result, the City's approach to risk management is now underpinned by the updated Council Policy-Risk Management (adopted March 2016) which identifies key elements to maintain a robust, integrated and effective risk management system.

The update of the policy also acknowledged the role of internal auditing as a key element in the ongoing effectiveness of the City's Risk Management Framework.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

A comprehensive safety audit by Local Government Insurance Services during the year revealed that we are doing well in this important area of our operations, and showed where we could improve.

The City has now implemented an Occupational Health and Safety (OH&S) Management System in accordance with Australian Standard 4801. This system ensures our processes and procedures are standardised, enhancing our ability to comply with our responsibilities and maintain the highest standard of workplace safety. We have also developed a comprehensive OH&S manual which has been made available to all staff.

LEAN AND EFFICIENT

The City of Rockingham is one of the most lean and efficient local governments in the state. With a ratio of 275 residents to every one Full Time Equivalent (FTE) staff member, we have the lowest staff-to-resident ratio of all metropolitan outer growth areas.



I would like to thank the City's professional and dedicated staff for their commitment to delivering the best possible service to this community. Their sustained efforts in countless behind-the-scenes activities are essential to the smooth operation of the many services and facilities our residents rely upon for the unique lifestyle experience available here in the City of Rockingham, where the coast comes to life.

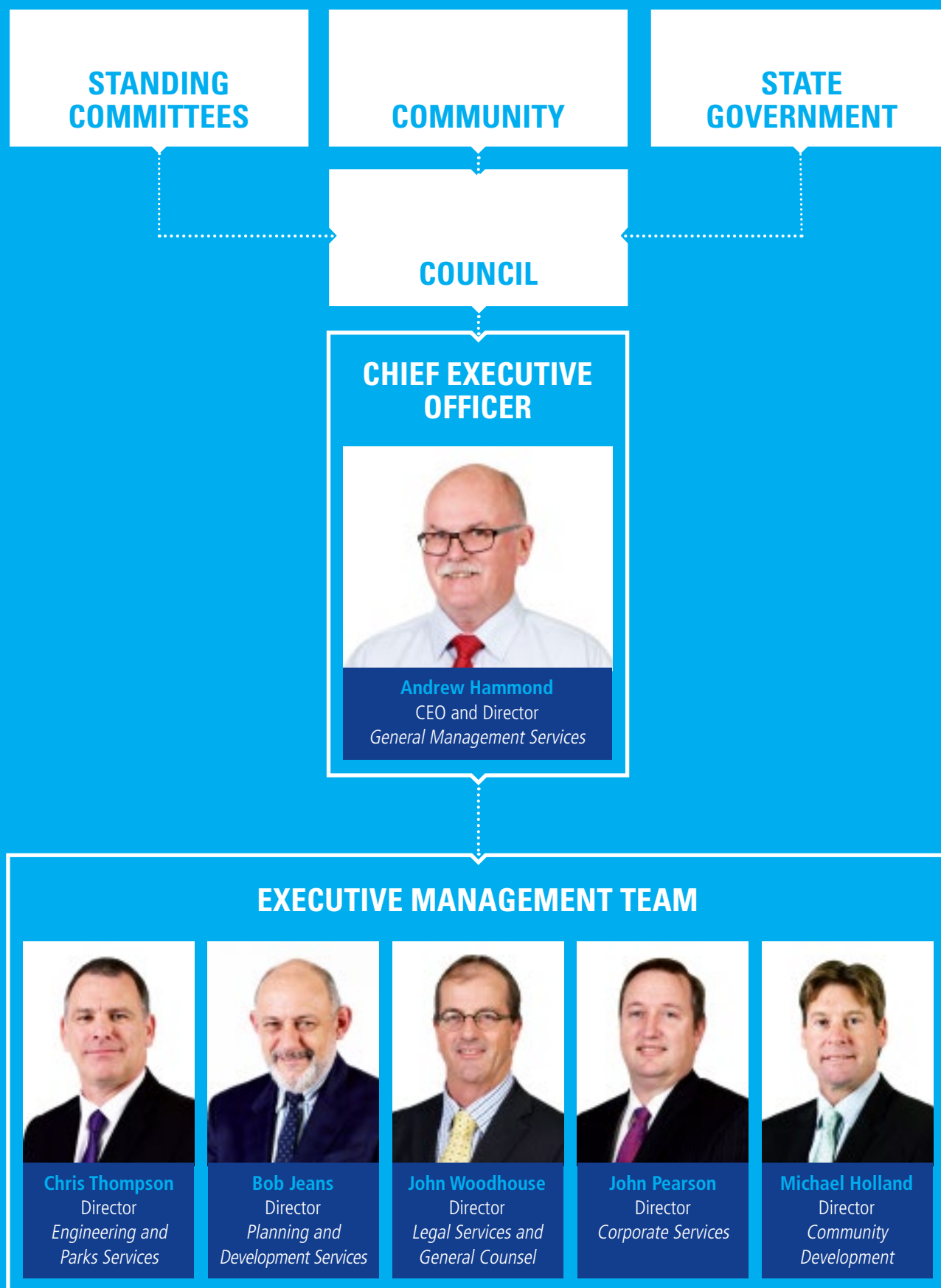
Andrew Hammond
Chief Executive Officer



Organisational Structure

The City of Rockingham Administration comprises six directorates: General Management Services, Community Development, Corporate Services, Engineering and Parks Services, Planning and Development Services, and 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 Directorate. The CEO is directly accountable to the Mayor and Councillors elected by the residents of the City of Rockingham.



ANDREW HAMMOND

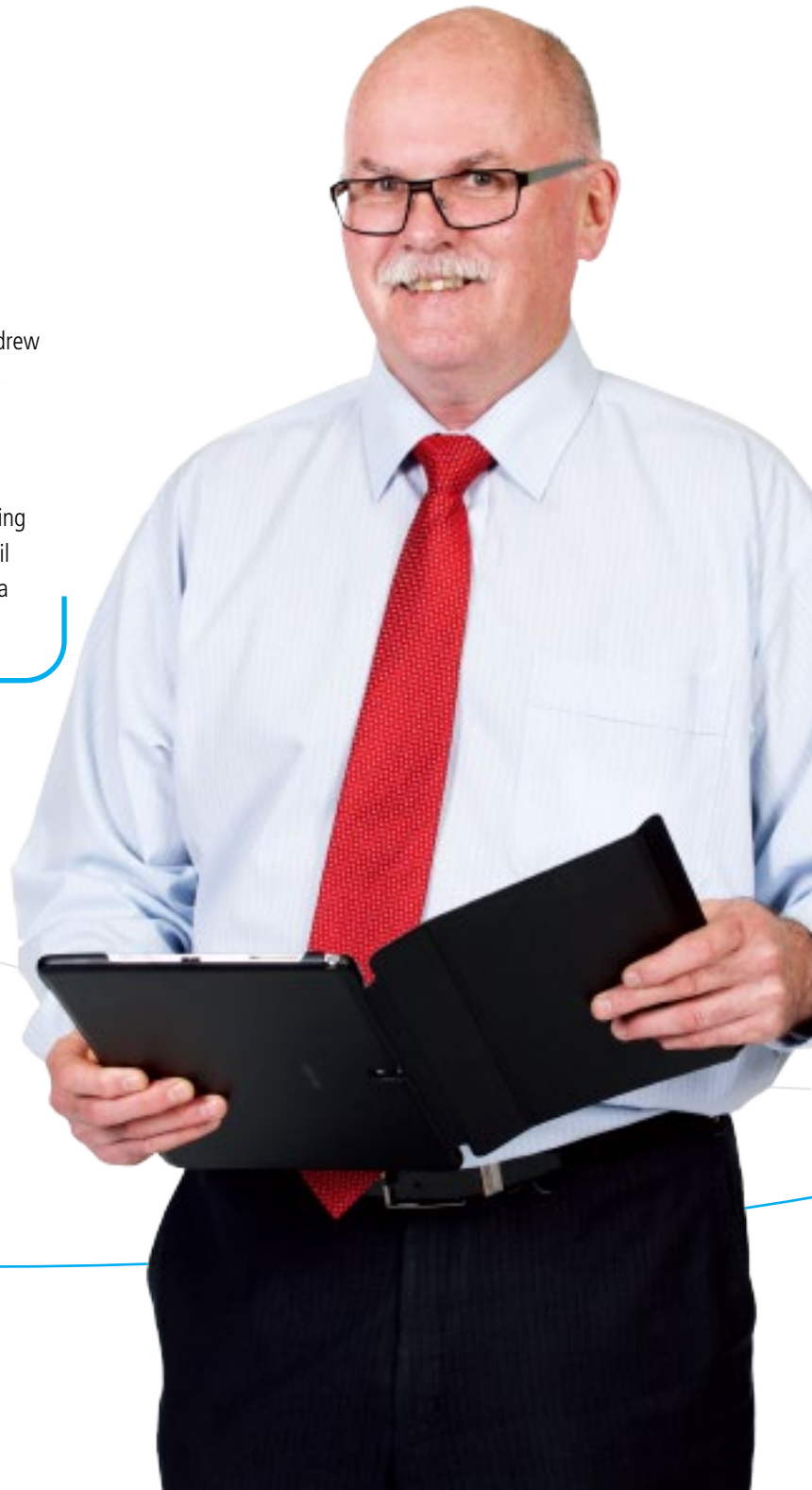
Chief Executive Officer

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



CHRIS THOMPSON

Director Engineering and Parks Services

Diploma in Local Government, Fellow Institute of Public Works Engineering Association (IPWEA), Fellow Australian Institute of Management (FAIM), 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 over 30 years working in local government, it all began at what was then 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.



BOB JEANS

Director Planning and Development Services

Bachelor of Arts (Urban and Regional Studies), Fellow Australian Institute of Management (FAIM), Member Planning Institute of Australia.

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.



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

As the City's in-house lawyer, the General Counsel is responsible for providing independent legal advice to the City on all matters including:

- the City's operational functions; and
- litigious and potentially litigious matters.

As a Director and member of the Executive, the Director of Legal Services:

- participates in strategic decision making of the Executive
- maintains an oversight of the City's operational local government systems; and
- develops and implements training for staff and Councillors on relevant legal topics and issues.

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 authorities including many of the metropolitan cities.

John was the Managing Partner of one of Perth's top-tier law firms before establishing the boutique law firm, Woodhouse Legal and its predecessor, Watts and Woodhouse.

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 Western Australian Local Government Association.



JOHN PEARSON

Director Corporate Services

Master of Accounting, Bachelor of Commerce.

Key Responsibilities

- Financial Services
- 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 over 15 years of executive management experience in local government and is responsible for corporate operations in the City of Rockingham.



MICHAEL HOLLAND

Director Community Development

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

Key Responsibilities

- Lead the Community Development Division to work with the community to achieve the best possible outcomes for both the City and community
- Provide strong direction and feedback to the Executive in relation to strategic community development issues and trends that affect the Rockingham community
- Develop the leadership capabilities and legislative understanding of all staff members in community development that supports community engagement with a focus on outcomes.

The Community Development Division comprises four key departments including:

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

Michael has lived in 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 throughout his career, Michael is seen as a leader and innovative thinker throughout the community development industry.

He is currently the Chair of the Local Government Managers Association WA (LGMAWA) Community Development Network, the peak body in Western Australia for community development. Michael was also recognised as the LGMAWA 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 8 football team at the Rockingham Rams Football Club, Michael is passionate about both his job and his community.

He considers himself very fortunate to work with and be part of his local community and he aims to remain in local government for the long term.





Compliance

DISABILITY ACCESS AND INCLUSION

In line with the requirements of the Western Australian Disability Services Act 1993, the City of Rockingham has a Disability Access and Inclusion Plan (DAIP), which outlines the actions the City will implement to further the principles and objectives of the Act.

Throughout 2015/2016 the City continued to implement the actions outlined in the DAIP for the period 2012-2015, while also finalising a comprehensive review of the document to enable it to be updated. The City's DAIP for 2016-2019 was adopted by Council in June 2016, the achievements of which will be reported in future annual reports.

The progress achieved in relation to the City's DAIP during 2015/2016 was reported to the Disability Services Commission in May 2016, and a summary of key achievements is provided below.

In 2015/2016 the City:

- Developed guidelines and criteria for the inclusion of 'changing place' facilities (and adult change tables and hoist equipment), for consideration in relation to planning for all future City community infrastructure.
- Completed construction of the Secret Harbour Surf Life Saving Club. This community facility now incorporates a number of features that enhance access for people with disability, including a lift, two universal access toilets with adult change tables and hoists, and audio loops in function rooms.
- Progressed to the design stage for the Secret Harbour Inclusive Play Space, and undertook a consultation process to gather input from community members. The Inclusive Play Space is due to be constructed during 2017. When completed, the play space will provide opportunities for families and friends with different abilities and skills to play alongside each other in a safe environment.
- Continued to implement an Equal Opportunity Management Plan (2015-2017), which incorporates bi-annual training for staff, delivered by the Equal Opportunity Commission.
- Provided a year-round program of accessible and inclusive community events and activities through the City's libraries.
- Supported community organisations and groups to provide accessible and inclusive community events through the City's Outdoor Events planning and approvals process, and Community Grants Program.
- Facilitated bi-monthly meetings of the Disability Access and Inclusion Advisory Committee. This Advisory Committee represents the community by providing advice and support to Council with regard to the DAIP and to address disability access and inclusion issues within the City.
- Facilitated the Let's Talk Network, which comprises local service providers and other stakeholders from the disability sector. The network met six times during 2015/2016, providing opportunities for members to share information, build networks and establish collaborative partnerships. Additionally, the City distributed regular emails to the network providing information on community events, training and other professional development opportunities relevant to the disability sector.



- Provided, in partnership with the Let's Talk Network, a community event to celebrate and acknowledge the International Day of People with Disability.
- Completed the preliminary design phase of an additional universal access ramp at the City's Administration Building.
- Provided training for City staff to raise awareness of the DAIP and disability access and inclusion issues, and to support colleagues with disability to feel welcome.
- Continued to work with Disability Employment Services to identify and support employment and traineeship opportunities within the City for people with disability.
- Provided the Rockingham Connect Community Transport service, which provides wheelchair accessible transport to community members from their home to a range of community venues for a \$1 fee.
- Developed and applied guidelines for the provision of ACROD parking bays in any new City infrastructure developments.

RECORD KEEPING

In line with Section 19 of the *State Records Act 2000*, local governments are required under Section 19 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 2015/2016 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.



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
120,001 – 130,000	3
130,001 – 140,000	5
140,001 – 150,000	6
150,001 – 160,000	7
160,001 – 170,000	1
170,001 – 180,000	0
180,001 – 190,000	0
190,001 – 200,000	0
200,001 – 210,000	0
210,001 – 220,000	3
220,001 – 230,000	1
230,000 – 240,000	1
240,001 – 250,000	0
250,001 – 260,000	0
260,001 – 270,000	0
270,001 – 280,000	0
280,001 – 290,000	0
290,001 – 300,000	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 2015/2016 year, 13 requests were received for information under FOI and 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
2015-2016	13	0	12	0	1	2
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 987 people became Australian citizens this year.



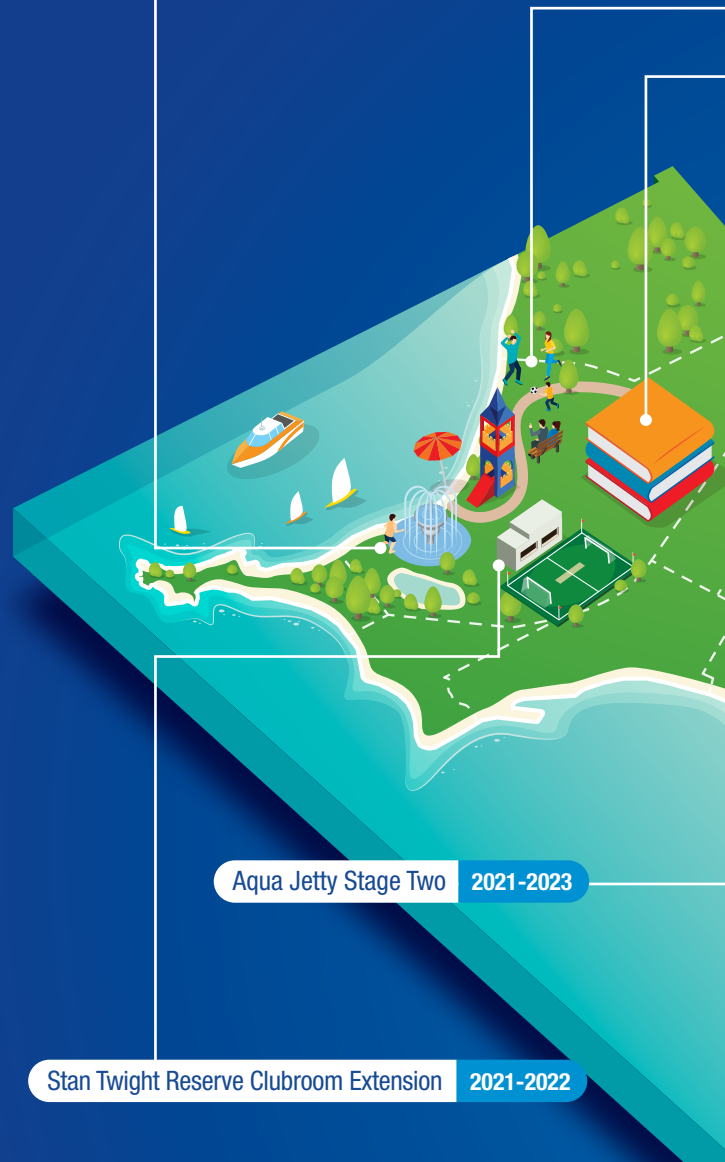
Priorities for the Future

In the year ahead the City will continue to strive to achieve its vision for the future. A raft of major infrastructure projects are scheduled for 2016/2017 to achieve the City's strategic aspirations.

The 2016/2017 budget prioritises the Rockingham Beach Foreshore Revitalisation, the extension of the Singleton Community Centre, the construction of the Secret Harbour Inclusive Play Space, the completion of the Golden Bay Sports Pavilion and the construction of the Baldivis South Sports Pavilion.

Road projects include the upgrade of Baldivis Road (Safety Bay Road to Highbury Boulevard), the duplication of Nairn Road (Clyde Avenue to Blaxland Terrace), the upgrade of the intersection of Dixon, Mandurah and Gilmore roads, and a principal shared-use path on Safety Bay Road between Mandurah and Eighty roads.

Rockingham Beach Foreshore Revitalisation 2017-2020



Aqua Jetty Stage Two 2021-2023

Stan Twight Reserve Clubroom Extension 2021-2022

Secret Harbour Community Library 2022-2023



Financial Report

For the year ended 30 June 2016

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Statement by Chief Executive Officer

For the year ended 30 June 2016

**CITY OF ROCKINGHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016 are in my opinion properly drawn up to present fairly the financial position of the City at 30th June 2016 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 18th day of October 2016


Andrew Hammond
Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	22	74,139,083	71,353,771	64,730,075
Operating grants, subsidies and contributions	29	4,920,331	8,010,435	8,544,073
Fees and charges	28	43,795,162	40,220,388	42,225,330
Service charges	25	911,730	902,405	3,785,147
Interest earnings	2(a)	4,065,460	3,264,102	3,962,815
Other revenue	2(a)	16,268,983	7,604,020	7,246,494
		144,100,749	131,355,121	130,493,935
Expenses				
Employee costs		(45,072,177)	(45,915,598)	(42,774,241)
Materials and contracts		(32,869,292)	(42,708,527)	(33,087,753)
Utility charges		(4,709,850)	(5,056,435)	(4,656,334)
Depreciation on non-current assets	2(a)	(63,036,546)	(42,579,110)	(43,205,297)
Interest expenses	2(a)	(1,262,074)	(1,166,854)	(1,313,812)
Insurance expenses		(1,221,237)	(1,337,896)	(1,245,973)
Other expenditure		(28,306,817)	(14,936,906)	(12,602,329)
		(176,477,993)	(153,701,325)	(138,885,738)
		(32,377,244)	(22,346,204)	(8,391,803)
Non-operating grants, subsidies and contributions	29	30,185,870	15,215,665	47,769,283
Profit on asset disposals	20	43,403	347,019	70,540
(Loss) on asset disposals	20	(504,289)	(1,117,025)	0
Reversal of prior year loss on revaluation of furniture and equipment	6(b)	500,552	0	0
Reversal of prior year loss on revaluation of plant and equipment	6(b)	1,166,813	0	0
Net result		(984,895)	(7,900,546)	39,448,020
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets		772,099	0	777,103,598
Total other comprehensive income		772,099	0	777,103,598
Total comprehensive income (loss)		(212,796)	(7,900,546)	816,551,618

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

Statement of Comprehensive Income by Program

For the year ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		255,567	95,764	240,327
General purpose funding		81,305,532	79,689,199	76,066,270
Law, order, public safety		1,057,162	952,068	2,956,200
Health		284,308	251,357	245,970
Education and welfare		894,963	2,047,727	1,916,321
Housing		3,548,479	3,413,417	3,346,421
Community amenities		50,029,411	48,063,796	36,749,159
Recreation and culture		2,254,623	2,312,628	2,453,167
Transport		628,341	535,000	273,622
Economic services		2,600,057	2,646,505	4,060,450
Other property and services		1,242,306	814,939	2,186,028
		144,100,749	140,822,400	130,493,935
Expenses	2(a)			
Governance		(16,027,449)	(3,018,032)	(14,086,017)
General purpose funding		(776,137)	(550,100)	(641,488)
Law, order, public safety		(5,605,801)	(6,551,098)	(5,949,601)
Health		(1,828,800)	(2,300,453)	(1,525,028)
Education and welfare		(4,882,923)	(8,201,810)	(5,762,627)
Housing		(3,155,824)	(3,492,550)	(3,054,938)
Community amenities		(42,184,290)	(48,123,178)	(27,216,806)
Recreation and culture		(35,092,460)	(41,971,901)	(36,033,453)
Transport		(61,961,255)	(36,625,560)	(36,720,909)
Economic services		(2,578,995)	(3,677,385)	(4,076,864)
Other property and services		(1,121,985)	(7,489,684)	(2,504,192)
		(175,215,919)	(162,001,751)	(137,571,925)
Finance costs	2(a)			
Law, order, public safety		(48,695)	(47,464)	(51,458)
Housing		(4,926)	(10,440)	(12,316)
Community amenities		0	0	(146)
Recreation and culture		(1,056,098)	(991,866)	(1,137,145)
Economic services		(149,743)	(114,231)	(105,810)
Other property and services		(2,612)	(2,853)	(6,937)
		(1,262,074)	(1,166,854)	(1,313,812)
		(32,377,244)	(22,346,205)	(8,391,802)

	NOTE	2016 \$	2016 Budget \$	2015 \$
Non-operating grants, subsidies and contributions				
Governance		130,000	0	501,345
General purpose funding		0	0	5,774
Law, order, public safety		875,000	1,400,000	820,569
Health		0	0	7,276
Education and welfare		0	0	2,636
Housing		0	0	630
Community amenities		2,667,986	3,323,327	6,395,880
Recreation and culture		4,292,025	5,715,506	5,023,149
Transport		22,220,859	4,776,832	34,945,588
Economic services		0	0	4,018
Other property and services		0	0	62,418
	29	30,185,870	15,215,665	47,769,283
Profit/(Loss) on disposal of assets				
Governance		(80,971)	(11,606)	(175,940)
Law, order, public safety		20,033	17,437	45,348
Health		8,361	6,345	0
Education and welfare		6,041	(1,767)	13,356
Housing		(287)	0	0
Community amenities		(145,551)	(976,619)	19,477
Recreation and culture		(375,450)	(3,936)	(11,996)
Economic services		2,232	0	0
Other property and services		104,708	200,140	180,295
	20	(460,886)	(770,006)	70,540
Reversal of prior year loss on revaluation of furniture and equipment	6(b)	500,552	0	0
Reversal of prior year loss on revaluation of plant and equipment	6(b)	1,166,813	0	0
		1,667,365	0	0
Net result		(984,895)	(7,900,546)	39,448,020
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets		772,099	0	777,103,598
Total other comprehensive income		772,099	0	777,103,598
Total comprehensive income (loss)		(212,796)	(7,900,546)	816,551,618

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

Statement of Financial Position

As at 30 June 2016

	NOTE	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	3	88,722,691	80,837,942
Trade and other receivables	4	11,063,237	9,995,183
Inventories	5	296,982	1,626,132
Total current assets		100,082,910	92,459,257
Non-current assets			
Other receivables	4	1,523,236	1,439,249
Property, plant and equipment	6	298,974,370	293,217,392
Infrastructure	7	1,127,858,769	1,141,636,329
Total non-current assets		1,428,356,375	1,436,292,970
Total assets		1,528,439,285	1,528,752,227
Current liabilities			
Trade and other payables	8	13,428,946	13,743,927
Current portion of long term borrowings	9	2,095,958	2,050,231
Provisions	10	9,248,614	7,843,251
Total current liabilities		24,773,518	23,637,408
Non-current liabilities			
Long term borrowings	9	14,538,404	16,631,894
Provisions	10	10,916,857	10,059,623
Total non-current liabilities		25,455,261	26,691,517
Total liabilities		50,228,779	50,328,925
Net assets		1,478,210,506	1,478,423,302
Equity			
Retained surplus		461,090,837	460,285,039
Reserves - cash/investment backed	11	45,922,431	47,713,124
Revaluation surplus	12	971,197,238	970,425,139
Total equity		1,478,210,506	1,478,423,302

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

Statement of Changes in Equity

For the year ended 30 June 2016

	NOTE	Retained Surplus \$	Cash/Investment Reserves Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2014		425,847,314	42,702,829	193,321,541	661,871,685
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
Comprehensive income					
Net result		(984,895)	0	0	(984,895)
Changes on revaluation of non-current assets		0	0	772,099	772,099
Total comprehensive income		(984,895)	0	772,099	(212,796)
Transfers from/(to) reserves		1,790,693	(1,790,693)	0	0
Balance as at 30 June 2016		461,090,837	45,922,431	971,197,238	1,478,210,506

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

Statement of Cash Flows

For the year ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Cash flows from operating activities				
Receipts				
Rates		73,833,873	71,353,771	64,257,432
Operating grants, subsidies and contributions		4,051,168	8,010,435	6,727,542
Fees and charges		43,795,162	40,220,388	42,225,330
Service charges		911,730	902,405	3,785,147
Interest earnings		4,065,460	3,264,102	3,962,815
Goods and services tax		5,298,634	4,650,256	6,315,366
Other revenue		16,268,983	7,604,020	7,246,494
		148,225,010	136,005,377	134,520,126
Payments				
Employee costs		(42,432,899)	(45,915,598)	(41,027,827)
Materials and contracts		(33,815,528)	(42,708,527)	(31,101,891)
Utility charges		(4,709,850)	(5,056,435)	(4,656,334)
Interest expenses		(1,149,353)	(1,166,854)	(1,194,592)
Insurance expenses		(1,221,237)	(1,337,896)	(1,245,973)
Goods and services tax		(5,317,832)	(4,635,362)	(6,393,072)
Other expenditure		(28,306,817)	(14,936,906)	(12,602,328)
		(116,953,516)	(115,757,578)	(98,222,017)
Net cash provided by (used in) operating activities	13(b)	31,271,494	20,247,799	36,298,109

	NOTE	2016 \$	2016 Budget \$	2015 \$
Cash flows from investing activities				
Payments for purchase of property, plant & equipment	6(b)	(13,779,142)	(35,646,901)	(17,844,358)
Payments for construction of infrastructure	7(b)	(17,137,146)	(27,553,297)	(17,899,522)
Non-operating grants, subsidies and contributions		8,550,928	15,215,665	12,593,107
Proceeds from sale of fixed assets		984,845	1,035,000	1,105,741
Net cash provided by (used in) investing activities		(21,380,515)	(46,949,533)	(22,045,032)
Cash flows from financing activities				
Repayment of debentures		(2,047,763)	(2,050,231)	(1,487,865)
Proceeds from self supporting loans		41,530	41,529	43,465
Proceeds from new debentures		0	5,250,000	4,200,000
Net cash provided by (used in) financing activities		(2,006,231)	3,241,298	2,755,600
Net increase (decrease) in cash held		7,884,748	(23,460,436)	17,008,678
Cash at beginning of year		80,837,942	70,872,755	63,829,264
Cash and cash equivalents at the end of the year	13(a)	88,722,690	47,412,319	80,837,942

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

Rate Setting Statement

For the year ended 30 June 2016

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	28,233,252	18,363,400	14,911,425
	28,233,252	18,363,400	14,911,425

Revenue from operating activities (excluding rates)

Governance	385,567	99,866	565,731
General purpose funding	7,199,710	8,368,347	11,374,807
Law, order, public safety	1,952,196	2,369,505	3,822,117
Health	292,670	257,702	253,246
Education and welfare	901,004	2,047,727	1,932,313
Housing	3,548,480	3,413,417	3,347,051
Community amenities	52,697,397	51,423,538	43,164,516
Recreation and culture	6,546,648	8,028,134	7,464,320
Transport	22,849,200	5,311,832	35,219,210
Economic services	2,602,288	2,646,505	4,064,468
Other property and services	1,249,042	1,097,659	2,428,741
	100,224,202	85,064,232	113,636,520

Expenditure from operating activities

Governance	(16,108,420)	(3,033,740)	(14,086,018)
General purpose funding	(776,137)	(550,100)	(641,488)
Law, order, public safety	(5,654,496)	(6,598,562)	(6,001,059)
Health	(1,828,800)	(2,300,453)	(1,525,028)
Education and welfare	(4,882,923)	(8,203,577)	(5,762,627)
Housing	(3,161,037)	(3,502,990)	(3,067,254)
Community amenities	(42,329,841)	(49,136,212)	(27,216,952)
Recreation and culture	(36,426,038)	(42,967,703)	(37,170,598)
Transport	(61,961,256)	(36,625,560)	(36,720,909)
Economic services	(2,728,738)	(3,791,616)	(4,182,674)
Other property and services	(1,124,596)	(7,575,117)	(2,511,129)
	(176,982,282)	(164,285,630)	(138,885,736)

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(43,403)	(347,019)	(70,540)
Loss on disposal of assets	20	504,289	1,117,025	0
Movement in deferred pensioner rates (non-current)		(122,171)	0	(87,134)
Movement in employee benefit provisions (non-current)		857,232	(228,890)	2,642,217
Movement in employee benefit provisions (current)		1,405,363	1,203,459	220,770
Provision for sick leave		(334,953)	0	32,208
Non-Cash Developer Contribution		(21,634,942)	0	(35,176,176)
Depreciation and amortisation on assets	2(a)	63,036,546	42,579,110	43,205,297
Amount attributable to operating activities		(4,856,867)	(16,534,313)	428,850
Investing activities				
Proceeds from disposal of assets	20	984,845	1,035,000	1,105,741
Purchase of land and buildings	6(b)	(9,495,191)	0	(10,650,651)
Purchase furniture and equipment	6(b)	(660,752)	0	(1,971,882)
Purchase property, plant and equipment	6(b)	(3,623,199)	(35,646,901)	(5,221,825)
Purchase roads, footpaths and drainage	7(b)	(9,979,394)	0	(6,680,451)
Purchase other infrastructure	7(b)	(7,157,752)	(27,553,297)	(11,219,071)
Amount attributable to investing activities		(29,931,443)	(62,165,198)	(34,638,140)
Financing activities				
Repayment of debentures	21(a)	(2,047,763)	(2,050,231)	(1,487,865)
Proceeds from new debentures	21(a)	0	5,250,000	4,200,000
Proceeds from self supporting loans		41,530	41,529	43,465
Transfers to reserves (restricted assets)	11	(4,387,359)	(4,787,429)	(8,345,333)
Transfers from reserves (restricted assets)	11	6,178,052	12,568,371	3,335,038
Amount attributable to financing activities		(215,540)	11,022,240	(2,254,696)
Surplus(deficiency) before general rates		(35,003,850)	(67,677,271)	(36,463,985)
Total amount raised from general rates	22	74,105,823	71,320,852	64,697,237
Net current assets at June 30	23	39,101,973	3,643,581	28,233,252
c/fwd - surplus/(deficit)				

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 2016

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

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

The 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

For the year ended 30 June 2016

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.

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

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

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

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

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Fixed Assets (cont.)

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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Land Infrastructure	33.33–50% (p.a.)
Land Infrastructure - Landfill	3.33% (p.a.)
Land Infrastructure - Dam & Water Supply	6% (p.a.)
Building and Fixed Equipment	2.5–20% (p.a.)
Furniture, Fittings and Equipment	10–25% (p.a.)
Computer Equipment	2.5–33.33% (p.a.)
Plant, Machinery and Equipment	11–33.33% (p.a.)
Mobile, Plant and Vehicles	12.5–33.33% (p.a.)
Tools	20% (p.a.)
Parks	5–20% (p.a.)
Roads	5–7% (p.a.)
Footpaths and Crossovers	5% (p.a.)
Misc Infrastructure - Bridges & Ramps	2–10% (p.a.)
Misc Infrastructure - Sculptures	1–3.33% (p.a.)
Misc Infrastructure - Lighting Poles	7% (p.a.)
Misc Infrastructure - Other	2–33.33% (p.a.)
Drainage	3% (p.a.)
Miscellaneous - Other	1.3–10% (p.a.)
Bus/Park Shelters	10% (p.a.)
Photocopiers	20–25% (p.a.)

The asset's 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.

Capitalisation threshold

Fixed assets are capitalised if their costs exceeds the following:

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Fair Value of Assets and Liabilities (cont.)

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 in accordance with the regulatory framework.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments and any reduction for impairment; and
- 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 current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments (cont.)

(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.

(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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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.

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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.

(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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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.

(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.

(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.

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(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 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>
(iii) AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.</p>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> 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: <i>Business Combinations</i>, 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>
(v) 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>
(vi) 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>

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
(vii) 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 as they currently exist and any changes will relate to presentation.</p>
(viii) 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 as follows:

- i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

2. REVENUE AND EXPENSES

	2016 \$	2015 \$
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(a) Net Result

The Net result includes:

(i) Charging as an expense:

Auditors remuneration

Audit of the Annual Financial Report	42,179	37,902
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Depreciation

Land Infrastructure	1,641,299	1,558,065
Buildings	4,680,174	4,409,616
Furniture and Equipment	807,832	1,218,343
Plant and Equipment	3,326,408	3,051,859
Miscellaneous Assets	1,452	2,176
Roads, Footpaths and Drainage	47,518,115	24,307,681
Other Infrastructure	5,061,266	8,657,557
	63,036,546	43,205,297

Interest expenses (finance costs)

Debentures (refer Note 21 (a))	1,257,148	1,301,496
Finance Charges Bert England Lodge	4,926	12,316
	1,262,074	1,313,812

Other revenue

Reimbursements and recoveries	1,610,110	2,094,419
Other	14,658,873	5,152,075
	16,268,983	7,246,494

	2016 Actual \$	2016 Budget \$	2015 Actual \$
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Interest earnings

- Reserve funds	3,063,274	2,474,102	3,096,740
- Other funds	49,797	35,000	44,141
Other interest revenue (refer note 27)	952,390	755,000	821,934
	4,065,460	3,264,102	3,962,815

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

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 01/07/2014 \$	Received ⁽²⁾ 2014/2015 \$	Expended ⁽³⁾ 2014/2015 \$	Closing Balance ⁽¹⁾ 30/06/2015 \$	Received ⁽²⁾ 2015/2016 \$	Expended ⁽³⁾ 2015/2016 \$	Closing Balance 30/06/2016 \$
Department of Transport- Point Peron Coastal Erosion Project		75,012	0	0	75,012	0	0	75,012
Federal Roads to Recovery Grants- R2R		35,448	0	(35,448)	0	0	0	0
MRWA Specific- Kent/Roe Streets- Install Roundabout		43,165	0	(43,165)	0	0	0	0
MRRG Program Specific- Rae Rd Reseal (Read to Kitson)		12,419	0	(12,419)	0	0	0	0
Department of Broadband Communication		153,127	170,346	(323,473)	0	0	0	0
Strategic Crime Prevention Fund		8,720	0	0	8,720	0	(8,720)	0
Department of Education- AEID Local Champion Grant		24,607	0	(24,607)	0	0	0	0
WA Planning Commission Area Assistance Grant- Dixon Rd Conservation Reserve		74,920	37,460	(10,660)	101,720	0	(49,894)	51,826
WA Planning Commission Area Assistance Grant- Tamworth Swamp Baldivis		43,347	41,250	0	84,597	0	0	84,597
AMEX- Contribution to Baldivis Road		208,409	0	(208,409)	0	0	0	0
Healthway School Banner		0	3,000	0	3,000	0	(3,000)	0
Disability Services Commission- Count Me In Grant		7,705	0	(1,261)	6,444	0	(6,444)	0
Dept of Sport & Recreation- Kidsport		0	260,000	(221,550)	38,450	241,000	(279,450)	0
Main Roads- State Blackspot Program		12,432	0	(12,432)	0	0	0	0
Stocklands- Contribution to Baldivis Road		245,971	0	(245,971)	0	0	0	0
Federal Assistance Grants- 1st Qtr 2015/2016		0	2,214,706	0	2,214,706	2,174,930	(4,389,636)	0
Department of Fire & Emergency Services Grant VBFB- 1st Qtr 2015/2016		0	56,750	0	56,750	170,250	(227,000)	0
Department of Fire & Emergency Services Grant SES- 1st Qtr 2016/2017		0	32,345	0	32,345	60,000	(89,224)	3,121
Australian Neighbourhood Watch- Community Safety Grant		0	2,727	0	2,727	0	(2,727)	0
Department of Community Development- Youth Outreach Operating Grant		0	192,633	(159,515)	33,118	176,418	(152,315)	57,221
Healthway Grant- Festival of New Talent & School Banner Competition		0	4,200	0	4,200	15,730	(12,670)	7,260
Federal Roads to Recovery Grants- R2R- Young Road		0	171,498	(144,401)	27,097	59,619	(86,716)	0
MRRG Program Specific- Dampier Drive (Warrbro Sound Ave to Ennis Ave)		0	640,000	(36,455)	603,545	960,000	(1,563,545)	0
MRRG Program Specific- Baldivis Rd (S'Bay to Highbury Boulevard)		0	640,000	(94,113)	545,887	0	(9,064)	536,823
Main Roads- National Blackspot Program		0	35,289	(35,289)	0	0	0	0
Stockland Development- Footpath Safety Bay Road		0	89,613	0	89,613	0	(89,613)	0
Australand Pty Ltd- Contribution to Pike/Eighty Road Roundabout		0	80,000	0	80,000	0	0	80,000
Safety Heroes		0	0	0	0	9,450	(4,725)	4,725
PhotoVoice Project Funding		0	0	0	0	9,900	(3,960)	5,940
Better Bins Kerbside Collection Grant- 360 Litre Recycling Bins		0	0	0	0	600,000	(393,383)	206,617
Secret Harbour Dockers Football Club- Contributions towards kitchen work		0	0	0	0	34,770	0	34,770
WA Tourism- Mersey Point Jetty		0	0	0	0	150,000	(27,542)	122,458
Outdoor Gym Equipment		0	0	0	0	16,618	0	16,618
Federal Roads to Recovery Grants		0	0	0	0	2,249,464	(1,398,704)	850,760
Total		945,282	4,671,817	(1,609,168)	4,007,931	6,928,149	(8,798,332)	2,137,748
Amount Held in Reserve		0	0	0	0	0	0	0
Amount Held in Municipal Bank Account		0	0	0	4,007,931	0	0	2,137,748
					4,007,931			2,137,748

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 manner specified by the contributor.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

3. CASH AND CASH EQUIVALENTS

	NOTE	2016 \$	2015 \$
Unrestricted		40,662,512	29,116,887
Restricted		48,060,179	51,721,055
		88,722,691	80,837,942

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

Town Planning Scheme Review	11	411,184	399,040
Plant, Machinery & Equipment	11	0	0
Public Car Park Reserve- Cash in Lieu Contributions	11	1,717,163	1,666,448
Waste & Landfill Preservation Reserve	11	14,647,385	14,214,782
CLAG- Peel Mosquito Control Reserve	11	22,172	21,517
Administration Building Reserve	11	491,685	477,163
City Centre Carpark Reserve- Cash in Lieu	11	413,219	545,845
City Centre Development Reserve	11	2,358,696	2,289,033
Workers Compensation Reserve	11	1,020,250	990,117
Property Valuation Fees Reserve	11	192,998	187,298
Storm Damage Reserve	11	331,952	322,148
Anstey Park Shared Costs Reserve	11	2,642,865	2,564,809
Legal Fees Reserve	11	895,256	868,815
Climate Change Management Reserve	11	14,606	14,175
Strategic Master Planning Reserve	11	623,762	605,340
Baldivis Road Upgrade Reserve- DC	11	1,436,088	1,393,674
Harrington Waters Specified Area Rates Reserve	11	91,065	178,701
Active Ageing Development Reserve Bank	11	174,777	169,615
Bert England Lodge Capital Works Reserve Bank	11	70,616	68,530
Active Ageing Coordinator & Consultancy	11	0	0
Plant & Machinery Reserve Millar Road Landfill	11	0	0
Capital Works Reserve & Purchases	11	3,431,997	5,104,844
Community Security Service Charge	11	0	189,796
Employee Leave Reserve	11	5,501,028	5,338,558
Developer Contribution Scheme Reserve	11	6,193,832	5,975,625
Carbon Tax Reserve	11	2,850,695	3,933,993
Learning City Strategy Reserve	11	389,140	193,258
		45,922,431	47,713,124
Unspent grants	2(c)	2,137,748	4,007,931
		48,060,179	51,721,055

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

4. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Current		
Rates outstanding	3,892,479	3,709,442
Sundry debtors	6,314,774	6,105,367
GST receivable	19,199	0
Self Supporting Loans	19,143	17,994
Sundry Debtors- Southern Cross Care	798,601	138,845
Self Supporting Advances	19,042	23,535
	11,063,237	9,995,183
Non-current		
Rates outstanding - pensioners	1,386,758	1,264,585
Self Supporting Loans	129,472	148,615
Advances to Clubs/Association	7,007	26,049
	1,523,236	1,439,249

5. INVENTORIES

	2016 \$	2015 \$
Current		
Fuel and materials	296,982	155,132
Land held for resale - cost		
Cost of acquisition	0	1,471,000
	296,982	1,626,132

Land held for resale - Lot 200 Chalgrove & Civic Boulevard

This is land which Council's administration office stands on. Some of it was separated into separate lots to enable them to be sold off. The City has decided not to proceed with the sale of Lot 200 in the short term (valuation \$1,471,000).

6(a). PROPERTY, PLANT AND EQUIPMENT

	2016 \$	2015 \$
Land and buildings		
Land at:		
- Independent valuation 2014 - level 2	98,454,694	98,454,694
Transfer of current portion - land held for sale	1,471,000	0
	99,925,694	98,454,694
Land Infrastructure at:		
- Independent valuation 2014 - level 2	16,454,437	14,258,709
- Additions after valuation - cost	0	2,195,726
Works in Progress at Cost	2,648,849	142,119
Less: accumulated depreciation	(3,199,364)	(1,558,065)
	15,903,922	15,038,489
Buildings at:		
- Independent valuation 2014 - level 2	137,893,125	137,893,125
- Management valuation 2015 - level 2	8,128,574	8,128,574
- Independent valuation 2016 - level 2	1,500,000	0
- Additions after valuation - cost	12,548,288	14,238,889
Work in Progress at Cost	9,370,453	6,085,177
Less: accumulated depreciation	(8,621,141)	(4,537,035)
	160,819,299	161,808,730
Total land and buildings	276,648,915	275,301,913
Furniture and Equipment at:		
- Management valuation 2013 - level 2	0	3,171,138
- Management valuation 2016 - level 2	1,797,442	0
- Independent valuation 2016 - level 3	2,827,829	0
- Additions after valuation - cost	366,655	1,780,052
Work in Progress at Cost	263,493	0
Less accumulated depreciation	(77,832)	(2,006,829)
	5,177,587	2,944,361

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

6(a). PROPERTY, PLANT AND EQUIPMENT (cont.)

	2016 \$	2015 \$
Plant and Equipment at:		
- Management valuation 2013 - level 2	0	11,570,023
- Independent valuation 2016 - level 2	15,044,200	0
- Additions after valuation - cost	1,680,321	8,002,715
Less accumulated depreciation	(34,016)	(5,043,161)
	16,690,505	14,529,577
Miscellaneous Assets at:		
- Independent valuation 2015 - level 2	441,541	441,541
- Additions after valuation - cost	17,273	0
Less accumulated depreciation	(1,451)	0
	457,363	441,541
	298,974,370	293,217,392

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

6. PROPERTY, PLANT AND EQUIPMENT (cont.)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation (Decrements)/ Transferred to Revaluation \$	Revaluation (Losses) /Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land	98,454,694	0	0	0	0	0	0	1,471,000 ⁽¹⁾	99,925,694
Total Land	98,454,694	0	0	0	0	0	0	1,471,000	99,925,694
Land Infrastructure	15,038,489	2,506,732	0	0	0	0	(1,641,299)	0	15,903,922
Buildings	161,808,730	6,988,459	(27,083)	(3,241,849)	0	0	(4,680,174)	(28,784)	160,819,299
Total Buildings	176,847,219	9,495,191	(27,083)	(3,241,849)	0	0	(6,321,473)	(28,784)	176,723,221
Total Land and Buildings	275,301,913	9,495,191	(27,083)	(3,241,849)	0	0	(6,321,473)	1,442,216	276,648,915
Furniture and Equipment	2,944,361	660,752	(487,317)	2,365,860	500,552	0	(807,832)	1,211	5,177,587
Plant and Equipment	14,529,577	3,605,925	(931,331)	1,648,088	1,166,813	0	(3,326,408)	(2,159)	16,690,505
Miscellaneous Assets	441,541	17,274	0	0	0	0	(1,452)	0	457,363
Total Property, Plant and Equipment	293,217,392	13,779,142	(1,445,731)	772,099	1,667,365	0	(10,457,165)	1,441,268	298,974,370

Notes: ⁽¹⁾ Refer to note (5)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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 and buildings					
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					
- Independent valuation 2014	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
- Management valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Independent valuation 2016	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

6. PROPERTY, PLANT AND EQUIPMENT (cont.)

(c) Fair Value Measurements (cont.)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Furniture and Equipment					
- Management valuation 2013	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
- Management valuation 2016	2	Market approach using recent observable market data for similar properties	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Independent valuation 2016	3	Market approach using recent observable market data for similar properties	Independent valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and Equipment					
- Management valuation 2013	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
- Independent valuation 2016	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2016	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 2016

7(a). INFRASTRUCTURE

	2016 \$	2015 \$
Roads, Footpaths and Drainage		
- Management valuation 2015 - level 2	1,042,698,583	1,042,698,583
- Works In Progress at Cost	2,764,495	467,826
- Addition after valuation- cost	29,295,442	0
Less accumulated depreciation	(47,518,115)	0
	1,027,240,405	1,043,166,409
Other Infrastructure		
- Management valuation 2015 - level 2	98,471,011	98,471,011
- Work In Progress at Cost	593,906	646,020
- Addition after valuation- cost	7,241,870	0
Less accumulated depreciation	(5,688,423)	(647,111)
	100,618,364	98,469,920
	1,127,858,769	1,141,636,329

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

7. INFRASTRUCTURE (cont.)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation (Decrements)/ Transferred to Revaluation \$	Revaluation (Losses) /Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Roads, Footpaths and Drainage	1,043,166,409	31,614,336	0	0	0	0	(47,518,115)	(22,225)	1,027,240,405
Other Infrastructure	98,469,920	7,157,752	0	0	0	0	(5,061,266)	51,958	100,618,364
Total infrastructure	1,141,636,329	38,772,088	0	0	0	0	(52,579,381)	29,733	1,127,858,769

(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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

8. TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Current		
Sundry creditors	8,784,847	11,106,481
Accrued interest on debentures	339,084	226,363
Accrued salaries and wages	376,683	0
Accommodation Bonds- Bert England Lodge	3,928,332	2,411,083
	13,428,946	13,743,927

9. LONG-TERM BORROWINGS

	2016 \$	2015 \$
Current		
Secured by floating charge		
Debentures	2,095,958	2,050,231
	2,095,958	2,050,231
Non-current		
Secured by floating charge		
Debentures	14,538,404	16,631,894
	14,538,404	16,631,894

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 2015					
Current provisions	3,631,921	2,803,021	1,408,309	0	7,843,251
Non-current provisions	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
Additional provision	573,167	709,490	334,953	644,988	2,262,597
Balance at 30 June 2016	4,205,088	4,344,844	1,743,262	9,872,277	20,165,471
Comprises					
Current	4,205,088	3,300,264	1,743,262	0	9,248,614
Non-current	0	1,044,580	0	9,872,277	10,916,857
	4,205,088	4,344,844	1,743,262	9,872,277	20,165,471

11. RESERVES- CASH/INVESTMENT BACKED

	2016 \$	2016 Budget \$	2015 \$
(a) Town Planning Scheme Review			
Opening balance	399,040	398,631	385,057
Amount set aside / transfer to reserve	12,144	10,763	13,983
Amount used / transfer from reserve	0	0	0
	411,184	409,394	399,040
(b) Plant, Machinery & Equipment			
Opening balance	0	0	887,577
Amount set aside / transfer to reserve	0	0	32,233
Amount used / transfer from reserve	0	0	(919,810)
	0	0	0
(c) Public Car Park Reserve - Cash in Lieu Contributions			
Opening balance	1,666,448	1,664,857	1,496,583
Amount set aside / transfer to reserve	50,715	44,951	169,865
Amount used / transfer from reserve	0	0	0
	1,717,163	1,709,808	1,666,448
(d) Waste & Landfill Preservation Reserve			
Opening balance	14,214,782	14,200,201	13,716,655
Amount set aside / transfer to reserve	432,603	383,405	498,127
Amount used / transfer from reserve	0	0	0
	14,647,385	14,583,606	14,214,782
(e) CLAG- Peel Mosquito Control Reserve			
Opening balance	21,517	21,495	20,763
Amount set aside / transfer to reserve	655	580	754
Amount used / transfer from reserve	0	0	0
	22,172	22,075	21,517
(f) Administration Building Reserve			
Opening balance	477,163	476,674	460,442
Amount set aside / transfer to reserve	14,522	12,870	16,721
Amount used / transfer from reserve	0	0	0
	491,685	489,544	477,163

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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

	2016 \$	2016 Budget \$	2015 \$
(g) City Centre Carpark Reserve - Cash in Lieu			
Opening balance	545,845	545,285	526,717
Amount set aside / transfer to reserve	16,612	14,723	19,128
Amount used / transfer from reserve	(149,238)	0	0
	413,219	560,008	545,845
(h) City Centre Development Reserve			
Opening balance	2,289,033	3,601,685	2,208,819
Amount set aside / transfer to reserve	69,663	97,245	80,214
Amount used / transfer from reserve	0	0	0
	2,358,696	3,698,930	2,289,033
(i) Workers Compensation Reserve			
Opening balance	990,117	989,101	955,420
Amount set aside / transfer to reserve	30,133	26,706	34,697
Amount used / transfer from reserve	0	0	0
	1,020,250	1,015,807	990,117
(j) Property Valuation Fees Reserve			
Opening balance	187,298	187,105	180,734
Amount set aside / transfer to reserve	5,700	5,052	6,564
Amount used / transfer from reserve	0	0	0
	192,998	192,157	187,298
(k) Storm Damage Reserve			
Opening balance	322,148	321,818	310,859
Amount set aside / transfer to reserve	9,804	8,689	11,289
Amount used / transfer from reserve	0	0	0
	331,952	330,507	322,148
(l) Anstey Park Shared Costs Reserve			
Opening balance	2,564,809	2,563,958	800,795
Amount set aside / transfer to reserve	78,056	69,227	1,764,014
Amount used / transfer from reserve	0	0	0
	2,642,865	2,633,185	2,564,809

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

	2016 \$	2016 Budget \$	2015 \$
(m) Legal Fees Reserve			
Opening balance	868,815	867,924	838,369
Amount set aside / transfer to reserve	26,441	23,434	30,446
Amount used / transfer from reserve	0	0	0
	895,256	891,358	868,815
(n) Climate Change Management Reserve			
Opening balance	14,175	14,161	13,679
Amount set aside / transfer to reserve	431	382	496
Amount used / transfer from reserve	0	0	0
	14,606	14,543	14,175
(o) Strategic Master Planning Reserve			
Opening balance	605,340	604,719	584,127
Amount set aside / transfer to reserve	18,422	16,327	21,213
Amount used / transfer from reserve	0	0	0
	623,762	621,046	605,340
(p) Baldivis Road Upgrade Reserve - DC			
Opening balance	1,393,674	1,392,244	1,344,835
Amount set aside / transfer to reserve	42,414	37,591	48,839
Amount used / transfer from reserve	0	(640,000)	0
	1,436,088	789,835	1,393,674
(q) Harrington Waters Specified Area Rates Reserve			
Opening balance	178,701	178,450	144,330
Amount set aside / transfer to reserve	5,438	4,818	34,371
Amount used / transfer from reserve	(93,074)	(10,269)	0
	91,065	172,999	178,701
(r) Active Ageing Development Reserve Bank			
Opening balance	169,615	169,442	163,672
Amount set aside / transfer to reserve	5,162	4,575	5,943
Amount used / transfer from reserve	0	0	0
	174,777	174,017	169,615

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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

	2016 \$	2016 Budget \$	2015 \$
(s) Bert England Lodge Capital Works Reserve Bank			
Opening balance	68,530	68,459	66,128
Amount set aside / transfer to reserve	2,086	1,848	2,402
Amount used / transfer from reserve	0	0	0
	70,616	70,307	68,530
(t) Active Ageing Coordinator & Consultancy			
Opening balance	0	0	71,784
Amount set aside / transfer to reserve	0	0	(71,784)
Amount used / transfer from reserve	0	0	0
	0	0	0
(u) Plant & Machinery Reserve Millar Road Landfill			
Opening balance	0	0	173,004
Amount set aside / transfer to reserve	0	0	6,283
Amount used / transfer from reserve	0	0	(179,287)
	0	0	0
(v) Capital Works Reserve & Purchases			
Opening balance	5,104,844	4,927,093	5,725,263
Amount set aside / transfer to reserve	155,357	133,031	207,915
Amount used / transfer from reserve	(1,828,204)	(3,028,204)	(828,334)
	3,431,997	2,031,920	5,104,844
(w) Community Security Service Charge			
Opening balance	189,796	179,719	167,995
Amount set aside / transfer to reserve	5,776	4,852	21,801
Amount used / transfer from reserve	(195,572)	(184,571)	0
	0	0	189,796
(x) Employee Leave Reserve			
Opening balance	5,338,558	5,333,082	5,151,479
Amount set aside / transfer to reserve	162,470	143,993	187,079
Amount used / transfer from reserve	0	0	0
	5,501,028	5,477,075	5,338,558

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

	2016 \$	2016 Budget \$	2015 \$
(y) Developer Contribution Scheme Reserve			
Opening balance	5,975,625	4,360,046	2,410,517
Amount set aside / transfer to reserve	2,927,149	3,441,048	4,867,952
Amount used / transfer from reserve	(2,708,942)	(7,801,094)	(1,302,844)
	6,193,832	0	5,975,625
(z) Carbon Tax Reserve			
Opening balance	3,933,993	3,929,850	3,897,226
Amount set aside / transfer to reserve	119,724	106,106	141,530
Amount used / transfer from reserve	(1,203,022)	(904,233)	(104,763)
	2,850,695	3,131,723	3,933,993
(aa) Learning City Strategy Reserve			
Opening balance	193,258	193,059	0
Amount set aside / transfer to reserve	195,882	195,213	193,258
Amount used / transfer from reserve	0	0	0
	389,140	388,272	193,258
TOTAL RESERVES	45,922,431	39,408,116	47,713,124
Total Opening balance	47,713,124	47,189,058	42,702,829
Total Amount set aside / transfer to reserve	4,387,359	4,787,429	8,345,333
Total Amount used / transfer from reserve	(6,178,052)	(12,568,371)	(3,335,038)
TOTAL RESERVES	45,922,431	39,408,116	47,713,124

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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) Town Planning Scheme Review

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

b) Plant, Machinery & Equipment

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

c) Public Car Park Reserve- Cash in Lieu Contributions

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

d) Waste & Landfill Preservation Reserve

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

e) CLAG- Peel Mosquito Control Reserve

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

f) Administration Building Reserve

to be used to fund Administration Complex expenditure.

g) City Centre Carpark Reserve - Cash in Lieu

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

h) City Centre Development Reserve

to be used to fund development of the City Centre.

i) Workers Compensation Reserve

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

j) Property Valuation Fees Reserve

to be used to meet future valuation of properties expenditure.

k) Storm Damage Reserve

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

l) Anstey Park Shared Costs Reserve

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

m) Legal Fees Reserve

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

n) Climate Change Management Reserve

to be used to meet future Renewable Energy Initiative expenses.

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

o) Strategic Master Planning Reserve

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

p) Baldivis Road Upgrade Reserve - DC

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

q) Harrington Waters Specified Area Rates Reserve

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

r) Active Ageing Development Reserve Bank

to be used to meet expenses of Active Ageing programs and initiatives.

s) Bert England Lodge Capital Works Reserve Bank

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

t) Active Ageing Coordinator & Consultancy

to be used to meet Active Ageing Coordinator and associated fees.

u) Plant & Machinery Reserve Millar Road Landfill

to be used to fund plant, machinery and equipment purchases at the landfill.

v) Capital Works Reserve & Purchases

to be used to fund capital works and purchases.

w) Community Security Service Charge

to be used to fund Community Security Service Charge.

x) Employee Leave Reserve

to be used to fund Employee Leave Liabilities.

y) Developer Contribution Scheme Reserve

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

z) Carbon Tax Reserve

to be used to fund the implementation of the Waste Industry Protocol for the handling of early collected carbon charges in the landfill sector including refunds to local government customers, administration costs and the investment in abatement projects.

aa) Learning City Strategy Reserve

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

12. REVALUATION SURPLUS

	2016 \$	2015 \$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land and Buildings		
Opening balance	158,596,755	150,531,512
Revaluation (decrement)	(3,241,849)	8,065,243
	155,354,906	158,596,755
(b) Furniture & Equipment		
Opening balance	1,188,703	817,086
Revaluation increment	2,365,860	371,617
	3,554,563	1,188,703
(c) Plant and Equipment		
Opening balance	663,445	663,445
Revaluation increment	1,648,088	0
	2,311,533	663,445
(d) Roads, Footpaths and Drainage		
Opening balance	772,984,996	31,665,262
Revaluation increment	0	741,319,734
	772,984,996	772,984,996
(e) Other Infrastructure		
Opening balance	36,991,240	9,644,236
Revaluation increment	0	27,347,004
	36,991,240	36,991,240
TOTAL ASSET REVALUATION SURPLUS	971,197,238	970,425,139

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:

	2016 \$	2016 Budget \$	2015 \$
Cash and cash equivalents	88,722,690	47,412,319	80,837,942

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

Net result	(984,895)	(7,900,546)	39,448,020
Less: Non Cash Contribution	(21,634,942)	0	(35,176,176)
Non-cash flows in Net result:			
Depreciation	63,036,546	42,579,110	43,205,297
(Profit)/Loss on sale of asset	460,885	770,006	(70,540)
Reversal of loss on revaluation of fixed assets	(1,667,365)	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,193,572)	(411,280)	(2,366,880)
(Increase)/Decrease in inventories	(141,850)	12,536	61,338
Increase/(Decrease) in payables	(314,981)	(560,931)	927,172
Increase/(Decrease) in provisions	2,262,598	974,569	2,862,986
Grants contributions for the development of assets	(8,550,928)	(15,215,665)	(12,593,107)
Net cash from operating activities	31,271,494	20,247,800	36,298,109

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2016 \$	2015 \$
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	500,000	500,000
Credit card balance at balance date	(13,790)	(28,938)
Total amount of credit unused	736,210	721,062
Loan facilities		
Loan facilities - current	2,095,958	2,050,231
Loan facilities - non-current	14,538,404	16,631,894
Total facilities in use at balance date	16,634,362	18,682,125
Unused loan facilities at balance date	84,525	277,712

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

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.

	2016 \$	2015 \$
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(b) Capital Expenditure Commitments

Contracted for:

Road Construction	568,237	486,343
Building Land & Fixed Equipment	415,569	5,295,810
Reserve & Infrastructure	6,466,783	3,009,609
Plant, Machinery & Equipment- Various	2,029,698	1,282,281
Computer	357,117	263,458
Footpath & Crossovers	220	192,602
Miscellaneous Infrastructure	1,860,653	62,469

Payable:

Not later than one year	11,698,277	10,592,572
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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, Kwinana and Melville, and Town of East Fremantle. Council's share in the net assets of the South West Group was:

	2016 \$ Unaudited	2015 \$ Unaudited
Amount of Interest	34,402	35,960
Cost/Project Sharing Ratio	23.63%	23.60%

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016 \$	2015 \$
Governance	27,210,794	24,691,787
Law, order, public safety	4,733,325	4,865,857
Health	1,473,262	1,487,048
Education and welfare	27,791,995	28,653,595
Housing	10,755,508	13,489,244
Community amenities	42,325,549	41,677,794
Recreation and culture	220,989,239	217,647,247
Transport	1,033,942,129	1,051,554,350
Economic services	3,061,814	3,050,689
Other property and services	38,908,325	37,094,657
Unallocated	117,247,346	104,539,959
	1,528,439,286	1,528,752,227

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

18. FINANCIAL RATIOS

	2016	2015	2014
Current ratio	2.70	2.23	1.85
Asset sustainability ratio	0.48	0.80	1.13
Debt service cover ratio	10.02	12.98	11.82
Operating surplus ratio	(0.25)	(0.07)	(0.10)
Own source revenue coverage ratio	0.70	0.84	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 114 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:

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Appeal Funds	592	0	0	592
Builders Kerb Footpath Deposit	22,620	0	(22,620)	0
Cash in Lieu POS Contributions	1,011,958	143,423	(27,283)	1,128,098
Castaways	0	920	(920)	0
Cat Trap Deposits	260	0	(60)	200
Cleaning Bond	27,796	73,750	(66,670)	34,876
Nomination Deposits	80	1,760	(1,520)	320
Key Deposit	23,320	10,150	(8,150)	25,320
Landscape Bonds	1,000	0	(1,000)	0
Lease Agreement Bond Deposit	15,000	5,000	(5,000)	15,000
Mary Davies Library	21,000	63,300	(56,250)	28,050
Recreation Equipment	200	0	0	200
Challenger Court Entry Contribution	100,759	0	(70,760)	29,999
Subdivisional Bonds	3,167,902	1,774,071	(2,888,008)	2,053,965
Town Planning Scheme Amendments	3,961	0	(1,300)	2,661
Trust- Other	72,744	120	(7,200)	65,664
Unclaimed Monies	12,252	0	0	12,252
Work Deposit Prepayments	0	25,524	0	25,524
	4,481,444	2,098,018	(3,156,741)	3,422,721

20. DISPOSALS OF ASSETS - 2015/2016 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Buildings	27,082	0	0	(27,082)	0	0	0	0
Furniture & Equipment	487,318	10,111	0	(477,207)	0	0	0	0
Plant & Equipment	931,331	974,734	43,403	0	1,805,006	1,035,000	347,019	(1,117,025)
	1,445,731	984,845	43,403	(504,289)	1,805,006	1,035,000	347,019	(1,117,025)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2015 \$	New Loans \$	Principal Repayments		Principal 30 June 2016		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Law, order, public safety								
Loan No. 263- Dog Pound	638,672		30,541	30,541	608,131	608,131	48,695	47,464
Recreation and culture								
(SSL) Loan No. 212 (1) - R'ham Entertainers	71,389		5,759	5,759	65,629	65,630	5,660	4,296
(SSL) Loan No. 242 - Rockingham Bowling Club	95,221		12,235	12,235	82,985	82,986	7,104	5,901
Loan No. 244H - Warnbro Recreation Centre	541,185		56,914	56,914	484,270	484,271	45,793	37,337
Loan No. 244I - Warnbro Recreation Centre	541,931		56,928	56,928	485,003	485,003	43,236	37,563
Loan No. 244J - Warnbro Recreation Centre	812,727		85,389	85,389	727,338	727,338	59,469	56,294
Loan No. 245 (1) - Waterfront Village	320,702		24,346	24,346	296,356	296,356	18,568	18,871
Loan No. 245 (2) - Waterfront Village	322,707		24,286	24,286	298,421	298,421	24,924	19,562
Loan No. 245 (3) - Waterfront Village	325,141		24,209	24,209	300,932	300,932	24,575	20,415
Loan No. 245 (4) - Waterfront Village	321,262		24,329	24,329	296,933	296,933	21,566	19,062
Loan No. 252 (1) - Larkhill Development	320,702		24,346	24,346	296,356	296,356	18,568	18,871
Loan No. 252 (2) - Larkhill Development	484,060		36,428	36,428	447,632	447,632	37,386	29,343
Loan No. 252 (3) - Larkhill Development	325,142		24,209	24,209	300,933	300,933	24,575	20,415
Loan No. 264 (1) - Larkhill Regional Sporting Complex	642,520		48,659	48,659	593,861	593,861	43,132	38,125
Loan No. 270B - Larkhill Development	348,731		22,709	22,709	326,022	326,022	22,006	22,200

21. INFORMATION ON BORROWINGS (cont.)

(a) Repayments - Debentures (cont.)

Particulars	Principal 1 July 2015 \$	New Loans \$	Principal Repayments		Principal 30 June 2016		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Loan No. 274 - Larkhill Development	1,873,784		104,822	104,822	1,768,962	1,768,962	131,287	128,513
Loan 275 - Larkhill Development	1,995,854		95,441	95,441	1,900,413	1,900,413	152,172	148,324
Loan 276 - Larkhill Development	4,790,049		229,058	229,058	4,560,991	4,560,991	365,213	355,977
Loan 277 - Jetties	152,174		47,034	47,034	105,140	105,141	10,864	10,796
Secret Harbour SLSC	0		0	0	0	1,900,000	0	0
Baldivis Eighty Rd- Clubrooms & Playing Fields	0		0	0	0	3,350,000	0	0
Other property and services								
Loan No. 265 - City Centre Devpt Lot 80	54,715		54,715	54,716	0	0	2,611	2,853
Shoalwater Underground Power Project	3,703,459		1,015,405	1,017,873	2,688,054	2,672,136	149,743	114,231
	18,682,125	0	2,047,763	2,050,231	16,634,362	21,868,447	1,257,148	1,156,414

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

(b) New Debentures - 2015/2016

The City did not take up any new debentures during the year ended 30 June 2016.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

22. RATING INFORMATION - 2015/2016 FINANCIAL YEAR

Rate Type	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
Residential	0.06520	28,752	570,071,023	37,168,631	1,121,650	0	38,290,281	36,810,668	400,000	0	37,210,668
Non Residential	0.07824	1,123	147,963,550	11,576,668	809,780	0	12,386,448	11,213,300	0	0	11,213,300
Unimproved value valuations											
Improved	0.00100	91	148,490,000	148,490	(2,758)	0	145,732	149,400	0	0	149,400
Vacant	0.00100	35	263,260,000	263,260	(13,992)	0	249,268	259,050	0	0	259,050
Sub-Total		30,001	1,129,784,573	49,157,049	1,914,680	0	51,071,729	48,432,418	400,000	0	48,832,418

22. RATING INFORMATION - 2015/2016 FINANCIAL YEAR (cont.)

Rate Type	Minimum \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Minimum payment											
Gross rental value valuations											
Residential	1,043	21,450	268,159,242	22,372,350	0	0	22,372,350	22,125,159	0	0	22,125,159
Non Residential	1,043	311	1,835,002	324,373	0	0	324,373	324,373	0	0	324,373
Unimproved value valuations											
Improved	499	64	24,296,000	31,936	0	0	31,936	31,936	0	0	31,936
Vacant	499	35	11,539,298	17,465	0	0	17,465	16,966	0	0	16,966
Sub-Total	21,860	305,829,542	22,746,124	0	0	0	22,746,124	22,498,434	0	0	22,498,434
	51,861	1,435,614,115	71,903,173	1,914,680	0	0	73,817,853	70,930,852	400,000	0	71,330,852
Discounts/concessions (refer note 26)							0				0
Rates in advance							296,701				0
Written off Rates							(8,731)				(10,000)
Total amount raised from general rate							74,105,823				71,320,852
Specified Area Rate (refer note 24)							33,260				32,919
Totals							74,139,083				71,353,771

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

23. NET CURRENT ASSETS

Composition of net current assets.

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	39,101,973	28,233,252	28,233,252
Current Assets			
Cash and cash equivalents			
Unrestricted	40,662,512	29,116,887	29,116,887
Restricted	48,060,179	51,721,055	51,721,055
Receivables			
Rates outstanding	3,892,479	3,709,442	3,709,442
Sundry debtors	6,314,774	6,105,367	6,105,367
GST receivable	19,199	0	0
Self Supporting Loans	19,144	17,994	17,994
Sundry Debtors- Southern Cross Care	798,601	138,845	138,845
Self Supporting Advances	19,042	23,535	23,535
Inventories			
Fuel and material	296,982	155,132	155,132
Land held for resale - cost			
Cost of acquisition	0	1,471,000	1,471,000
Less: Current Liabilities			
Trade and other payables			
Sundry creditors	(8,784,847)	(11,106,481)	(11,106,481)
Accrued interest on debentures	(339,084)	(226,363)	(226,363)
Accrued salaries and wages	(376,683)	0	0
Accommodation Bonds- Bert England Lodge	(3,928,332)	(2,411,083)	(2,411,083)
Current portion of long term borrowings			
Secured by floating charge	(2,095,958)	(2,050,231)	(2,050,231)
Provisions			
Provision for annual leave	(4,205,088)	(3,631,921)	(3,631,921)
Provision for sick leave (EPTO)	(1,743,262)	(1,408,309)	(1,408,309)
Provision for long service leave	(3,300,264)	(2,803,021)	(2,803,021)
Unadjusted net current assets	75,309,394	68,821,847	68,821,847

23. NET CURRENT ASSETS (cont.)

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Adjustments			
Less: Reserves - restricted cash	(45,922,431)	(47,713,124)	(47,713,124)
Less: Loans receivable - clubs/institutions	(19,144)	(17,994)	(17,994)
Less: Self Supporting Advances	(19,042)	(23,535)	(23,535)
Add: Revaluation of Land Held for Sale	151,886	(1,319,114)	(1,319,114)
Add: Secured by floating charge	2,095,958	2,050,231	2,050,231
Add: Provisions for Annual Leave	4,205,088	3,631,921	3,631,921
Add: Provisions for Long Service Leave	3,300,264	2,803,021	2,803,021
Adjusted net current assets - surplus/(deficit)	39,101,973	28,233,252	28,233,252

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

24. SPECIFIED AREA RATE - 2015/2016 FINANCIAL YEAR

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value \$	Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$
Harrington Waters						
- Rates	GRV	0.00250	13,324,010	33,260	33,260	32,919
				33,260	33,260	32,919

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

25. SERVICE CHARGES - 2015/2016 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Charges Applied to Costs \$	Budget Charges Applied to Costs \$
Underground Power - Shoalwater North					
For the provision of underground power to the properties in the Shoalwater North Area.					
Shoalwater North Underground Power - 22	820	256,365	258,300	256,365	258,300
Shoalwater North Underground Power - 23	838	17,603	15,089	17,603	15,089
Shoalwater North Underground Power - 24	850	22,106	23,807	22,106	23,807
Shoalwater North Underground Power - 25	865	38,071	33,745	38,071	33,745
Shoalwater North Underground Power - 26	910	17,294	17,295	17,294	17,295
Shoalwater North Underground Power - 27	1,181	515,582	513,762	515,582	513,762
Shoalwater North Underground Power - 28	656	7,218	7,219	7,218	7,219
Shoalwater North Underground Power - 30	856	23,975	19,694	23,975	19,694
Shoalwater North Underground Power - 31	860	4,301	5,162	4,301	5,162
Shoalwater North Underground Power - 32	872	5,229	5,229	5,229	5,229
Shoalwater North Underground Power - 33	880	3,521	2,641	3,521	2,641
Shoalwater North Underground Power - 35	462	462	462	462	462
		911,730	902,405	911,730	902,405

26. DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE-OFFS - 2015/2016 FINANCIAL YEAR

The National Australia Bank provided ten prizes of \$500, and the Rockingham Community Bank Branch of Bendigo 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 17 August 2015.

27. INTEREST CHARGES AND INSTALMENTS - 2015/2016 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %	Pensioner Deferred Interest Rate %
Option One					
Single full payment	17th August 2015	\$3.50	5.5%	10%	2.64%
Option Two					
First Instalment	17th August 2015				
Second Instalment	21st December 2015				
Option Three					
First Instalment	17th August 2015				
Second Instalment	19th October 2015				
Third Instalment	21st December 2015				
Fourth Instalment	22nd February 2016				

	2016 Actual \$	2016 Budget \$
Interest on unpaid rates	494,910	370,000
Interest on instalment plan	425,259	340,000
Pensioner deferred rate interest	32,221	45,000
	952,390	755,000
Charges on instalment plan	209,118	195,000
	209,118	195,000

28. FEES & CHARGES

	2016 \$	2015 \$
Governance	1,582	1,104
General purpose funding	504,378	497,947
Law, order, public safety	738,454	742,976
Health	275,720	199,782
Education and welfare	411,580	910,783
Housing	475,298	414,896
Community amenities	38,035,071	35,634,918
Recreation and culture	1,454,575	1,446,093
Transport	103,931	136,594
Economic services	1,510,921	1,865,963
Other property and services	283,652	374,274
	43,795,162	42,225,330

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

29. GRANT REVENUE

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

	2016 \$	2015 \$
Operating grants, subsidies and contributions		
Governance	32,271	57,500
General purpose funding	2,174,930	6,521,951
Law, order, public safety	292,322	381,000
Health	9,136	12,000
Education and welfare	417,740	971,481
Housing	270	0
Community amenities	790,138	0
Recreation and culture	420,922	272,106
Transport	479,050	74,321
Economic services	3,595	0
Other property and services	299,957	253,713
	4,920,331	8,544,073
Non-operating grants, subsidies and contributions		
Governance	130,000	501,345
General purpose funding	0	5,774
Law, order, public safety	875,000	820,569
Health	0	7,276
Education and welfare	0	2,636
Housing	0	630
Community amenities	2,667,986	6,395,880
Recreation and culture	4,292,025	5,023,149
Transport	22,220,859	34,945,588
Economic services	0	4,018
Other property and services	0	62,418
	30,185,870	47,769,283
	35,106,201	56,313,356

30. EMPLOYEE NUMBERS

	2016	2015
The number of full-time equivalent employees at balance date	528	484

31. ELECTED MEMBERS REMUNERATION

	2016 \$	2016 Budget \$	2015 \$
--	------------	----------------------	------------

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

Meeting Fees	321,915	337,428	329,204
Mayor's allowance	87,550	91,052	87,550
Deputy Mayor's allowance	21,178	22,753	22,729
Members Incidental Expenses	1,526	4,500	2,070
Travelling expenses	14,365	25,000	14,302
Telecommunications allowance	35,000	36,750	35,000
	481,534	517,483	490,855

32. MAJOR LAND TRANSACTIONS

The City did not have any major land transactions in 2015/2016.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

33. MAJOR TRADING UNDERTAKINGS

The Millar Road Landfill Facility based at Lot 2170 Millar Road West in Baldivis provides an essential waste disposal service and makes significant ongoing financial contributions to the City. The City has a separate trading undertaking for the landfill facility at Millar Road.

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Operating			
Operating Revenue			
Landfill Operations	26,954,725	24,121,879	24,086,589
Transfer Station	3,032,633	2,754,200	2,395,010
Recycling Operations	255,203	681,000	444,682
	30,242,561	27,557,079	26,926,281
Operating Expenditure			
Landfill Operations	(19,277,849)	(16,204,436)	(15,351,191)
Transfer Station	(1,729,515)	(1,691,930)	(1,641,522)
Recycling Operations	(95,692)	(426,506)	(246,612)
	(21,103,056)	(18,322,872)	(17,239,325)
Net Operating Result	9,139,505	9,234,207	9,686,956
Non Operating			
Non Operating Revenue			
Landfill Operations	1,298,358	114,000	472,380
Transfer Station	0	0	0
Recycling Operations	196,889	0	0
	1,495,247	114,000	472,380
Non Operating Expenditure			
Landfill Operations	(3,020,967)	(6,186,790)	(3,240,654)
Transfer Station	0	0	0
Recycling Operations	0	0	0
	(3,020,967)	(6,186,790)	(3,240,654)
Net Capital Movement	(1,525,720)	(6,072,790)	(2,768,274)
Net Overall Result	7,613,785	3,161,417	6,918,682

34. 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	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial assets				
Cash and cash equivalents	88,722,691	80,837,942	88,722,691	80,837,942
Receivables	12,586,473	11,434,432	12,586,473	11,434,432
	101,309,164	92,272,374	101,309,164	92,272,374
Financial liabilities				
Payables	13,428,946	13,743,927	13,428,946	13,743,927
Borrowings	16,634,363	18,682,125	16,634,363	18,682,125
	30,063,309	32,426,051	30,063,309	32,426,051

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.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

34. FINANCIAL RISK MANAGEMENT (cont.)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

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.

	2016 \$	2015 \$
Impact of a 1%⁽¹⁾ movement in interest rates on cash		
- Equity	887,227	808,379
- Statement of Comprehensive Income	887,227	808,379

Notes:

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

34. 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:

	2016	2015
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	88%	89%
- Overdue	12%	11%

(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 \$
2016					
Payables	13,428,946	0	0	13,428,946	13,428,944
Borrowings	3,134,963	11,416,750	8,076,495	22,628,208	16,634,361
	16,563,909	11,416,750	8,076,495	36,057,154	30,063,305
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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2016

34. FINANCIAL RISK MANAGEMENT (cont.)

(c) Payables (cont.)

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 2016								
Borrowings								
Fixed rate								
Debentures	0	969,273	2,794,398	0	0	12,870,690	16,634,361	6.99%
Weighted average								
Effective interest rate	0.0%	7.10%	3.48%	0.00%	0.00%	6.99%		
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debentures	54,715	0	1,083,116	3,855,633	0	13,688,662	18,682,125	6.99%
Weighted average								
Effective interest rate	6.33%	0.00%	7.10%	3.48%	0.00%	6.99%		

35. AGED CARE REPORTING NOTE

This note discloses the revenue, expenditure, assets and liabilities of Bert England Lodge in accordance with paragraph 63-1(1)m of the Aged Care Act 1997.

	2016 \$	2015 \$
Revenue		
Other Revenue	3,048,911	2,901,366
Operating Expenditure		
Other Expenses	(21,928)	(44,713)
Building Maintenance	(3,854)	(22,188)
Operating Expenses	(9,816)	(8,260)
Utility Charges	(118,356)	(95,998)
Contractor Expense	(1,868,112)	(1,731,946)
Consultancy Costs	(235,212)	(237,740)
Minor Capital Expenditure	(16,578)	(7,345)
Property Expense	(134,915)	(130,233)
Food Expense	(122,575)	(132,639)
Training Costs	(14,488)	(15,520)
Stationery	(4,760)	(5,079)
Transport	(1,665)	(2,830)
Residential care expense	(81,903)	(78,900)
Interest Expenses	(4,926)	(12,316)
Total Operating Expenditure	(2,639,088)	(2,525,707)
Non Cash Expenditure		
Depreciation - Building & Fixed Equip	(30,769)	(30,556)
Depreciation- Furniture & Equip	(3,186)	(2,792)
Profit/Loss on Sale of Assets	(287)	-
Total Non Cash Expenditure	(34,242)	(33,348)
Operating Result	375,581	342,311
Assets		
Total Assets	11,130,423	9,266,824
Liabilities		
Total Liabilities	4,324,134	2,836,116
Net Assets	6,806,289	6,430,708
Equity		
Accumulated Surplus	6,430,708	6,088,397
Current Year Surplus	375,581	342,311
	6,806,289	6,430,708

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

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We have audited the accompanying financial report of City of Rockingham ("the Council") which comprises the statement of financial position as at 30 June 2016, 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

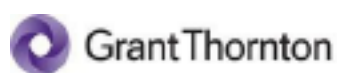
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit 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. An audit also includes evaluating the appropriateness of accounting

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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 2016 and of its performance for the financial year ended 30 June 2016;
- (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.

A stylized signature of the firm Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature of M J Hillgrove.

M J Hillgrove
Partner - Audit & Assurance

Perth, 18 October 2016

Supplementary Ratio Information

For the year ended 30 June 2016

RATIO INFORMATION

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.

	2016	2015	2014
Asset consumption ratio	76%	73%	68%
Asset renewal funding ratio	77%	87%	96%

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



An aerial photograph of a coastal town. The foreground is dominated by deep turquoise water. A sandy beach runs along the middle ground, bordered by a dense line of green trees. Behind the trees, several white, modern buildings are visible. The sky is a clear, pale blue with scattered white clouds. The text "where the coast comes to life" is written in a white, cursive font across the lower part of the image.

where the coast comes to life