



2017 / 2018

Annual Report







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About Us

The City of Rockingham is one of the fastest growing Local Government areas in Perth’s outer southern suburbs and is located about 40km south of the Perth CBD.

Home to almost 140,000 residents, the City of Rockingham covers 262km² and is neighboured by the City of Mandurah in the south, the City of Kwinana in the north and the Shire of Serpentine-Jarrahdale in the east.

For thousands of years the area the City covers was inhabited by the Nyungar People. When European settlers arrived in the area it was named after the ship “Rockingham” which ran aground during stormy weather in 1830.

Several attempts were made to establish a settlement in the area but it was not until the early 1850s that pioneering families took up land and began farming.

On 21 May 1897 the Rockingham Road Board was constituted. On 1 July 1961 the area took another step forward as it was renamed the Shire of Rockingham before finally becoming the City of Rockingham on 12 November 1988.

In recent times the City of Rockingham has grown to become one of the fastest growing municipalities in Western Australia and is situated in one of Australia’s highest growth corridors.

Designated as one of WA’s strategic metropolitan centres, the City of Rockingham’s population is expected to approach 200,000 in the next decade as more people discover the benefits of living in a City where the coast comes to life.

Our Values

-  Recognition
-  Ethics
-  Service
-  Professional Development
-  Empowerment
-  Communication
-  Teamwork



- D** City of Perth
- C** City of Fremantle
- B** City of Armadale
- A** City of Rockingham



Our Aspirations

The shared aspirations of the City and the community were developed in 2014 and are designed to guide the decisions of Council and build upon the original aspirations developed in 2010. During community consultation 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.

Our Aspirations are:



A Tourism Lifestyle



A Strong Community



Quality Leadership



A Sustainable Environment



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



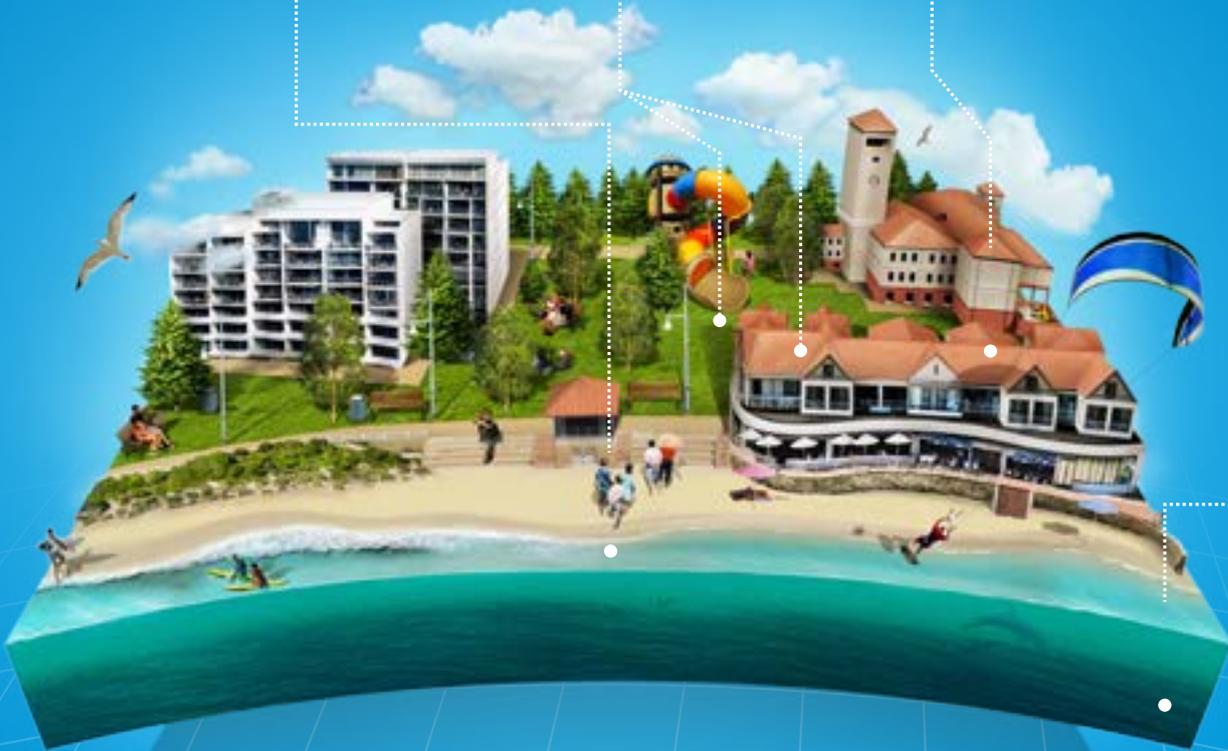
Quality Leadership

- 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, Council and the community developed a compelling and clear vision to guide the City of Rockingham into the future as 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 our future generations.
- Will be home to a proud, welcoming and inclusive community that understands, respects and preserves its unique sense of place and purpose.



International
Food Festival

Performance Highlights Against the Community Plan

Throughout 2017/2018 the City continued working hard to meet the objectives set out in the Strategic Community Plan by implementing a number of plans and strategies under each of the four key aspirations.

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







Quality Leadership

Quality leadership plays an essential role in good governance, financial management, community engagement and the development of vital infrastructure across the City.

In 2017/2018 Councillor Barry Sammels was re-elected as Mayor and the City also welcomed two new elected members in Councillor Andrew Burns (Rockingham Ward) and Councillor Mark Jones (Comet Bay Ward).

Sound financial planning through the 2017/2018 budget ensured the City was in a strong position to continue delivering key infrastructure to a growing population.

The City continued to perform citizenship ceremonies, welcoming hundreds of new Australians with the standout ceremony of the year performed on Australia Day.

The City's efficiency and expertise with building applications was recognised with the 2018 Local Government Best Practice Award, presented at the Master Builders-Bankwest Housing Excellence Awards.

Community engagement remained a core focus of the City, with elected members and City staff engaging with residents through a variety of channels including workshops, surveys, direct mail, the City website, social media, advertising, advisory committees and the City's online portal, Rock Port.





Strong Community

Through a variety of different services and community programs the City is creating a strong community that is built on a positive sense of wellbeing and inclusion.

A number of important community infrastructure projects were completed in 2017/2018, including the \$4.9 million Golden Bay Sports Pavilion, the \$4.9 million Singleton Sports and Community Centre, the \$4.09 million Baldivis South Sports Pavilion and the construction of the Baldivis Enclosed Dog Park.

The City assumed management of the Aqua Jetty on 1 July 2017 and Mike Barnett Sports Complex on 1 January 2018. Services at both facilities remained uninterrupted during a seamless transition process.

A wide range of community events were held throughout the City including the annual Seniors and Carers Expo, Castaways Sculpture Awards, International Food Festival, PhotoVoice Amateur Photography Competition, Romance on the Green and Celebrate Ability! family fun day.

City-run events for New Year's Eve and Australia Day were also held, with thousands flocking to the Rockingham Foreshore to celebrate.

The City's SmartWatch safety service continued to patrol the City's streets, playing an important role in keeping the City safe all year round.

Solid progress also continued to be made on the City's Disability Access and Inclusion Strategy 2016-2019. Highlights include the completion of construction on The Harbour Playground, an all-inclusive and accessible play space for people of all ages and abilities.

The City also initiated a number of programs for people living with dementia including the Rockingham Alzheimer's and Dementia Walking Group and a monthly memory café.

Managers and other City staff were also provided with disability awareness training, as part of an ongoing program to raise awareness regarding disability access and inclusion issues, and to better support colleagues and community members with disability.





Tourism Lifestyle

With 37km of pristine coastline and an abundance of natural wildlife the City of Rockingham is known as the place “where the coast comes to life.”

The strong appeal of the City’s environmental assets has provided a number of benefits to residents for many years. In 2017/2018 Council took significant steps to further the City’s presence as a tourism hub after it endorsed the Rockingham Beach Foreshore Revitalisation Stage One detailed design. As part of this process, the City engaged with the community extensively to inform them of the positive changes the revitalisation will bring.

Once the project is finished the foreshore will attract visitors both locally and from outside Rockingham, becoming a place that is recognised across the country. It will also enable local businesses to capitalise on the unique features of the foreshore and leverage its increasing popularity into even greater success.

Significant steps to encourage further investment and tourism to the City continued with the growth of the Rockingham Renaissance Technopole. The City agreed to take over an area of the Murdoch University Campus to house the high tech hub and a number of international businesses from high technology and defence industries indicated their interest in becoming involved with the Technopole. The aim of the initiative is to put the City in a position where it can capitalise on future investment in the defence and high technology sectors.





Sustainable Environment

Creating a sustainable environment that preserves coastal and bushland areas as well as planning for future population growth that allows the City to maintain its unique environmental values are seen as major priorities by the community.

The City strived to significantly reduce its environmental footprint as solar PV panels continued to be installed on a number of the City's major facilities.

In May 2018 Council resolved to support the City's participation in the Climate Council's Cities Power Partnership. More than 100 local governments are involved in the partnership, which allows councils to work together to tackle climate change.

The Sustainability Snapshot Report was released which provided a snapshot of the City's collective efforts toward achieving environmental sustainability. Highlights of the report included:

- the amount of energy generated from harvesting methane emissions at the Millar Road Landfill Facility is 1.5 times the City's total energy use
- the City's energy consumption for lighting has been reduced by 50% by upgrading existing lights to LEDs
- the City's scheme water usage was reduced by 3.22% from 2015 to 2016
- the City planted over 100,000 native seedlings in conservation reserves over the last two years.

In the first full year since the rollout of the three bin system, the City of Rockingham community improved its waste recovery rate from 24% to 47%, nearly doubling the amount of waste avoiding landfill.



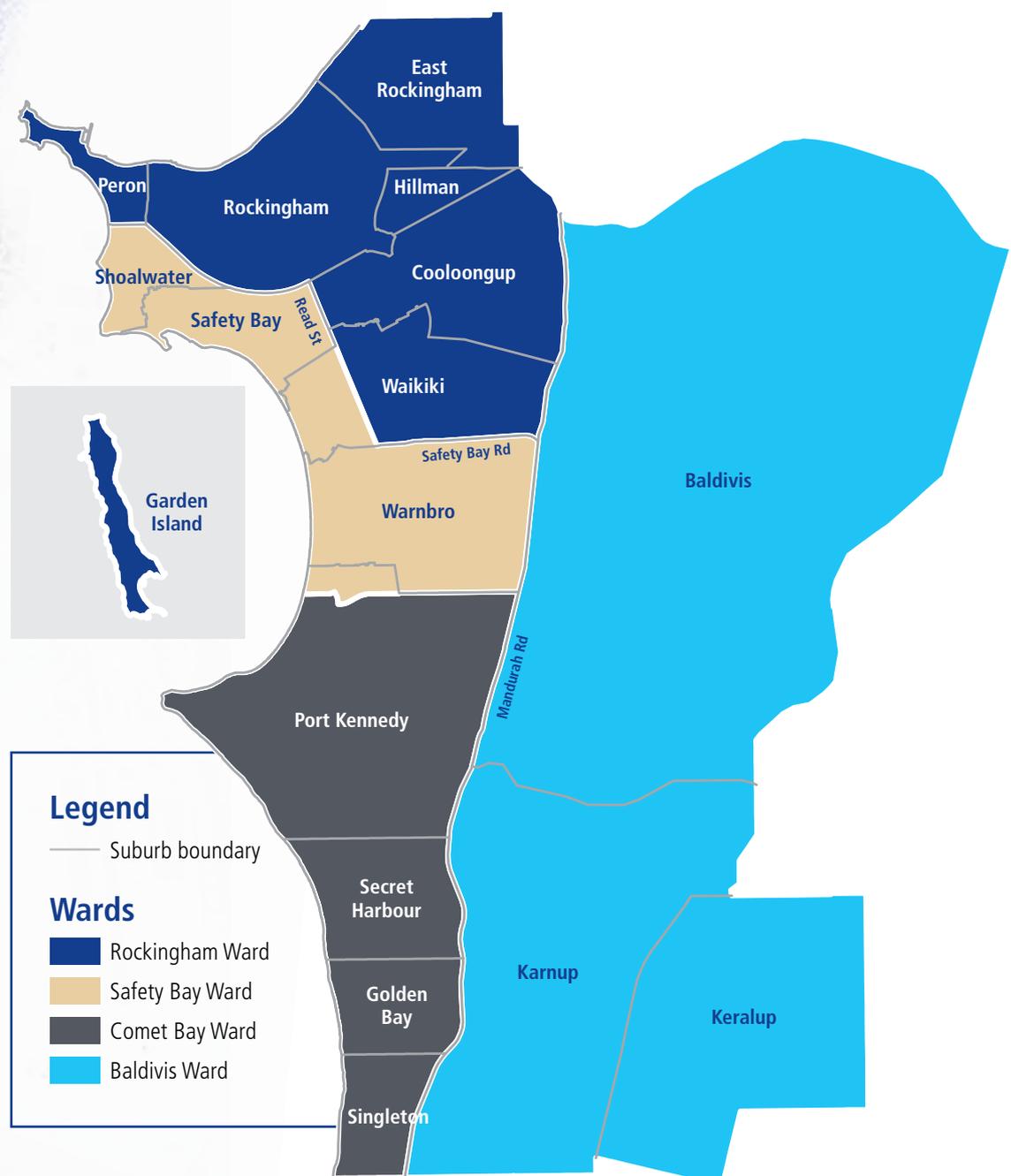


Our Council

The City of Rockingham comprises four wards represented by 10 councillors and a Council elected Mayor.

Councillors are elected to represent the best interests of the community and are responsible for making decisions in all areas of policy and budget priorities.

Council decisions are made in accordance with the Local Government Act 1995.



Rockingham Ward



Mayor 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 35 years, Mayor of the City for 15 years and a Councillor for 21 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 Joy Stewart

Phone: 9592 4948, 0421 021 711

Email: crjoystewart@gmail.com

Joy has always been an active member of the community, being involved with many different organisations and sporting groups over 44 years of living in Rockingham. She was Commodore of The Cruising Yacht Club from 2003-2005 and was elected as a Rockingham Ward Councillor in 2007, becoming the first person in Australia to receive a Diploma in Local Government.

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 Committees including the Christmas Festival, Governance Review, Heritage Reference Group, CEO Recruitment, Australia Day Awards as well as being the Chair of Senior Advisory, Disability Access and Inclusion and Corporate and Community Development committees.

Outside of Council committees Joy is a community member of three school Boards, and Secretary of the Rockingham Mature Adult Learning Association. Joy is also patron to the Rockingham Museum and a bingo caller for the Navy Club. Joy's dream is to see Cape Peron as a Coastal Park.



Cr Andrew Burns

Phone: 0467 511 867

Email: councillor@andynburns.com

As the youngest Councillor and one of the newest, Andrew brings enthusiasm and a strong work ethic to the City of Rockingham Council. Having grown up locally, attending Cooloongup Primary School and then Safety Bay Senior High School, he believes Rockingham is the best place in WA to live and raise a family.

Andrew serves on a number of the City's committees including; Corporate and Community Development, Australia Day Awards Selection Panel, Bush Fire Advisory Committee, Christmas Festival Committee, City Safe Advisory Committee, Community Grants Program Committee, Customer Service Review Committee, Global Friendship Committee, RoadWise Advisory Committee, Seniors Advisory Committee, Tourism Strategy Development Committee, Local Government Association - South Metro Zone, Main Roads Regional Grants Committee, Point Peron Rehabilitation Committee, Rockingham Lakes Regional Park Advisory Committee and Tourism Rockingham.

This is in addition to representing the Council on numerous school boards, sporting groups, special interest groups and the Rockingham PCYC.

With such a long list of commitments, Andrew spends about 35 hours a week in his role as a Councillor and by the end of 2018 also expects to have completed the Local Government Association - Diploma of Local Government (something less than 5% of elected members across WA have completed).

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 fourth term as Councillor, she has a passion for expanding educational opportunities and promoting the value of literacy and education in our community. Deb has been a Rockingham resident for more than 30 years. She is Vice Chair of the Library Board of Western Australia, Chair of the Library Board Audit Committee and a Governing Council Board member for South Metropolitan TAFE. 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 Katherine Summers

Phone: 0434 938 662

Email: kathsummers@outlook.com

Katherine is a high school teacher, best-selling author, artist, graduate law student and sole parent; her son played for the Warnbro Strikers and her daughter was a national level swimmer for the Rockingham Stingrays. This makes her keenly aware of the challenges facing families.

Katherine is committed to helping create a brighter future for all in her community and is especially committed to human rights and the environment. She is a founder of 'No Harm Health' and lobbyist for medical reform in Western Australia. She is also involved in several committees including the Rockingham Education and Training Advisory Committee (RETAC), the Cultural Advisory Committee and the Planning and Engineering Service Committee.



Cr Leigh Liley

Phone: 9593 8362

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

Raised, educated and employed locally in the region, Rockingham has been Leigh's home for 50 years. Leigh is deeply aware of the range of social and economic challenges that impact on families in our community, and brings understanding and compassion to her role as a Safety Bay Ward Councillor. She is passionate about the needs and lifestyle of our community, the responsible management of our unique coastal environment and the advancement of a sustainable and affordable economic future for all residents.

Leigh is opposed to the industrial degradation of Cockburn Sound, to excessive clearing of our unique bush land, and the location of heavy, noxious industry on our doorstep to the detriment of our lifestyle, health, businesses, and tourism potential.

As well as being Council's representative on various committees including Corporate and Community Development, Sports Advisory; Community Grants Program; Governance Review; and Marine Infrastructure, Leigh has advocated on behalf of residents when issues have challenged the best interests of the community, and has positively influenced decision making, ensuring residents have access to quality services, recreational facilities, key infrastructure and programs.

Leigh believes the best part of being a Councillor is being involved with the community at all levels and seeing projects that Council has brought forward come to completion. Leigh remains committed to ensuring the community's long term aspirations reflected in the City's Strategic Plans are as important now as the day she became a Councillor.

Baldivis Ward



Cr Lee Downham (CMgr FCMI)

Phone: 0477 177 772

Email: lwdownham@gmail.com

Lee is a 49-year-old, ex- British Army Warrant Officer (Sergeant Major) and a Chartered Manager who is married with two young children and has been living in Baldivis for eight years. He is a Business Excellence, Quality and Management consultant who has worked in the manufacturing, construction and oil and gas sectors. Lee is an avid advocate of strong community cohesion and the promotion of local business. His goal in becoming a Councillor is to keep rate increases as low as possible without compromising development of much needed infrastructure, crime reduction initiatives and community development and support.

Lee uses his skills in strategy and business improvement to look for opportunities to save money and raise extra revenue for the City to reduce the burden on the rate payer. He sees the development of the foreshore areas and light commercial precincts as essential priorities for tourism and economic development respectively, which will yield greater revenue for the City.

Lee is involved with several committees including Corporate and Community Development, and Coastal Facilities Advisory Committee, and chairs the Local Emergency Management committee.

Outside of Council Lee is on the boards of Baldivis Events and Baldivis Gardens Primary School. Lee invests his spare time in his family. His hobbies are fitness training, outdoor pursuits, studying and photography.



Cr Matthew Whitfield

Phone: 0405 637 894

Email: matthew@baldiviscouncillor.com

Matt has fought passionately for various issues during the 2017/2018 year. Matt continued to work full time in this community role and sat on various Council committees as well as many not-for-profit, school and community boards where he positively contributes to great community outcomes. This has been a challenging year, both internally and externally, and Matt has continued to seek out common sense outcomes and achieve cost saving measures by constantly challenging our policies and strategies to get the best outcome possible for the community. In a previous life Matt was a police officer, banking manager and cruise director. As one of your youngest members of Council Matt continues to push for the City to embrace technology use as well as championing for more information being released in the public domain and more residents to be involved in the democratic process.

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 has remained on Council since then. Chris brings energy, experience and passion to this term as a City of Rockingham Councillor.

As a member of the Council for 20 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 Mark Jones

Phone: 0410 844 880

Email: cometbaycouncillor@inet.net.au

For over 20 years Mark and his family have enjoyed being deeply connected with the Rockingham community and they have lived in Port Kennedy for the past 12 years. Raising four children in this beautiful place, he has a strong desire to protect and improve the elements that make Rockingham so great.

Mark has been actively involved with Scouts, Girl Guides, Surf Life Saving, tennis, tee ball, netball and basketball. He has also enjoyed working as a town planner for over 15 years in local government and for the Rottne Island Authority.

Currently, Mark is the Executive Minister at Warnbro Community Church and President of the Seaside Camp for Kids at Cape Peron. He is passionate about sustainable development and fostering partnerships to provide needed services and programs to the community.

Mark serves as a Council representative on several Committees, including, Disability Access and Inclusion, Sports, Christmas Festival and Corporate and Community Development.





Mayor's Report

Welcome to the City of Rockingham's Annual Report for the year ended 30 June 2018. This report outlines the progress made against the actions set out under the Strategic Community Plan 2015-2025 over the past financial year.

Budget for 2017/2018

The 2017/2018 budget adopted by Council on 27 June 2017 was developed to meet the objectives of the City's Business Plan. Accordingly, the budget included a rate increase of 3% for residential properties. This increase was the lowest in eight years and was necessary to meet increases in City costs related to the acquisition and construction of new facilities to support our growing population.

Major Projects

2017/2018 was a busy year for the City, with a number of major community projects completed.

Golden Bay Sports Pavilion

The \$4.9 million Golden Bay Sports Pavilion was officially opened on 27 July 2017. Construction of the facility took just under 18 months to complete with works including new club rooms, toilets, changing rooms, a kitchen and a first aid room. The project was funded by the City with support from the Department of Sport and Recreation.

Singleton Sports and Community Centre

On 14 August 2017 the Singleton Sports and Community Centre was opened on Cavender Street. A main hall, meeting room, servery kitchen, toilets, changing rooms, club hall and bar were all included in the build. The \$4.9 million project was funded by the City with support from the Department of Sport and Recreation.

Baldivis Enclosed Dog Park

The City officially opened the Baldivis Enclosed Dog Park in June 2018. Located at Acrasia Reserve, the dog park has two separate enclosures and a range of equipment for dogs to play with.

Baldivis South Community Centre

Construction on the Baldivis South Community Centre started on 11 June 2018, with ADCO Constructions appointed to carry out the project. Once finished the 650m² facility will be a multipurpose venue capable of holding a number of groups and activities at the same time.

Baldivis South Sports Pavilion

The eagerly anticipated \$4.09 million Baldivis South Sports Pavilion officially opened on 7 September 2017. The facility provides a base for both the Baldivis Soccer Club and Baldivis Little Athletics Centre. Highlights of the project include clubrooms with change rooms, toilets, two senior soccer pitches, a 400m athletics track, long jump pits, a cricket wicket, car parking and floodlighting.

Rockingham Beach Foreshore Revitalisation Stage 1

At the Council meeting on 22 August 2017 Council endorsed the Rockingham Beach Foreshore Revitalisation Stage One detailed design. Once complete the revitalised foreshore will attract visitors both locally and from outside Rockingham, becoming a place that is recognised on a local, state and national level. It will also enable local businesses to capitalise on the unique features of this iconic location and leverage its increasing popularity into even greater success.

Queen's Baton Relay

In the lead up to the 2018 Commonwealth Games on the Gold Coast the City of Rockingham was selected as a Celebration Community, with the privilege of hosting a section of the Queen's Baton Relay. Thousands of residents lined the streets of Rockingham to witness our inspirational baton bearers carry the Queen's Baton on its journey to the Gold Coast. The City's leg of the relay culminated in a Community Celebration at Churchill Park.



Queens Baton Relay

Outgoing and Incoming

I would like to express the City's deepest appreciation to outgoing Councillor Justin Smith. His contribution to the City as a Councillor representing the Comet Bay Ward since 2013 has been valued greatly.

I would also like to welcome two new Councillors – Mark Jones representing Comet Bay Ward and Andrew Burns representing Rockingham Ward.

Mark Jones was elected for a four year term while Andrew Burns will serve a two year term after replacing Kelly McManus who resigned from Council in 2017, part way through her term.

On behalf of my fellow Councillors I also wish to thank former CEO Andrew Hammond for his significant contribution to the City during his 10-year tenure.



Barry Sammels
City of Rockingham Mayor

CEO's Report

In 2017/2018 the City of Rockingham undertook some significant changes to its organisational structures to ensure the highest levels of customer service were being delivered to the community. A number of exciting new infrastructure projects were completed as progress continued to be made on the key aspirations contained in our Strategic Community Plan.

Organisational Growth

The City assumed direct management of the Aqua Jetty on 1 July 2017 and Mike Barnett Sports Complex on 1 January 2018.

Taking over the day to day management of both these facilities was the preferred business model for the City. By managing both operations in-house the City took on nearly 200 additional staff including many casual positions. I commend the effort of all involved in ensuring these significant changes were implemented with a relatively smooth transition and I acknowledge the patience and co-operation of staff and the facility users during this period.

Despite these significant operational additions, the City of Rockingham remains one of the leanest and most efficient local governments in WA, with its low ratio of staff to residents.

Strategic Community Plan

Substantial progress was made on the 2019-2029 Strategic Community Plan, with a series of "Planning for the Future" workshops and surveys conducted to determine the community's vision and aspirations for the next 10-20 years. More than 500 sets of inputs were received during the initial consultation process. The major themes identified by participants form the aspirations underpinning the 2019-2029 Strategic Community Plan, which will become a live document guiding the City's activities as of 1 January 2019.

Rockingham Renaissance

During 2017/2018 progress was made on the Rockingham Renaissance Technopole after the City agreed to take over a significant area of Murdoch University's Rockingham campus to house this high tech hub. Our involvement in this initiative has been to promote the competitive advantages of the City of Rockingham in a strategic region to best position the City to capitalise on anticipated investment in defence and other technologies.

A number of international businesses from high technology industries indicated their interest in being involved in the Technopole.

We also became the first Australian City to sign an Economic Development Alliance with the French City of Cherbourg. The agreement will pave the way for significant economic and employment opportunities through French investment in the Rockingham region.



Technopole Presentation

Customer Satisfaction

The City continued to receive positive ratings from the annual customer satisfaction survey. The City's overall performance has steadily improved, rising from 3.7 (out of a maximum of 5) in 2009 to its current rating of 4 out of 5. The survey was mailed at random to approximately 10,000 households, with about 2,000 completed surveys returned. Customers were most impressed with the City's rubbish and recycling services, libraries, parks, gardens and sporting facilities.

The survey also identified several areas for the City to focus on, including building approvals, attracting investment to the area, supporting businesses and the management of cats and dogs.

A key element of measuring customer satisfaction is getting their answer to a very simple but revealing question: *how happy are you to be living in the City of Rockingham?* All registered users of Rock Port, our online portal, can add their score to our Happiness Index by rating how likely they would recommend living in the City of Rockingham to family and friends. The ratings provide valuable information on the community's overall "happiness levels" across various demographics.

In addition to a number of significant projects completed, which are detailed in the Mayor's Report, 2017/2018 saw important planning undertaken for major projects which are scheduled for the coming or future years. This planning is important to meet the challenges of our growing population in a sustainable manner.

Special Acknowledgements

I would like to take this opportunity to acknowledge the significant contribution to the City of Rockingham by former CEO Andrew Hammond and also the efforts of Director Planning and Development Bob Jeans, who did an admirable job fulfilling the role of Acting Chief Executive Officer after Andrew resigned.

In closing, I express my sincere thanks to the City's Executive team for their outstanding leadership throughout 2017/2018 and acknowledge the continued efforts of all City staff for their commitment to providing quality service to the community.



Michael Parker
Chief Executive Officer

Organisational Structure

The City of Rockingham Administration comprises six directorates:



General Management Services



Engineering and Parks Services



Planning and Development Services



Corporate Services

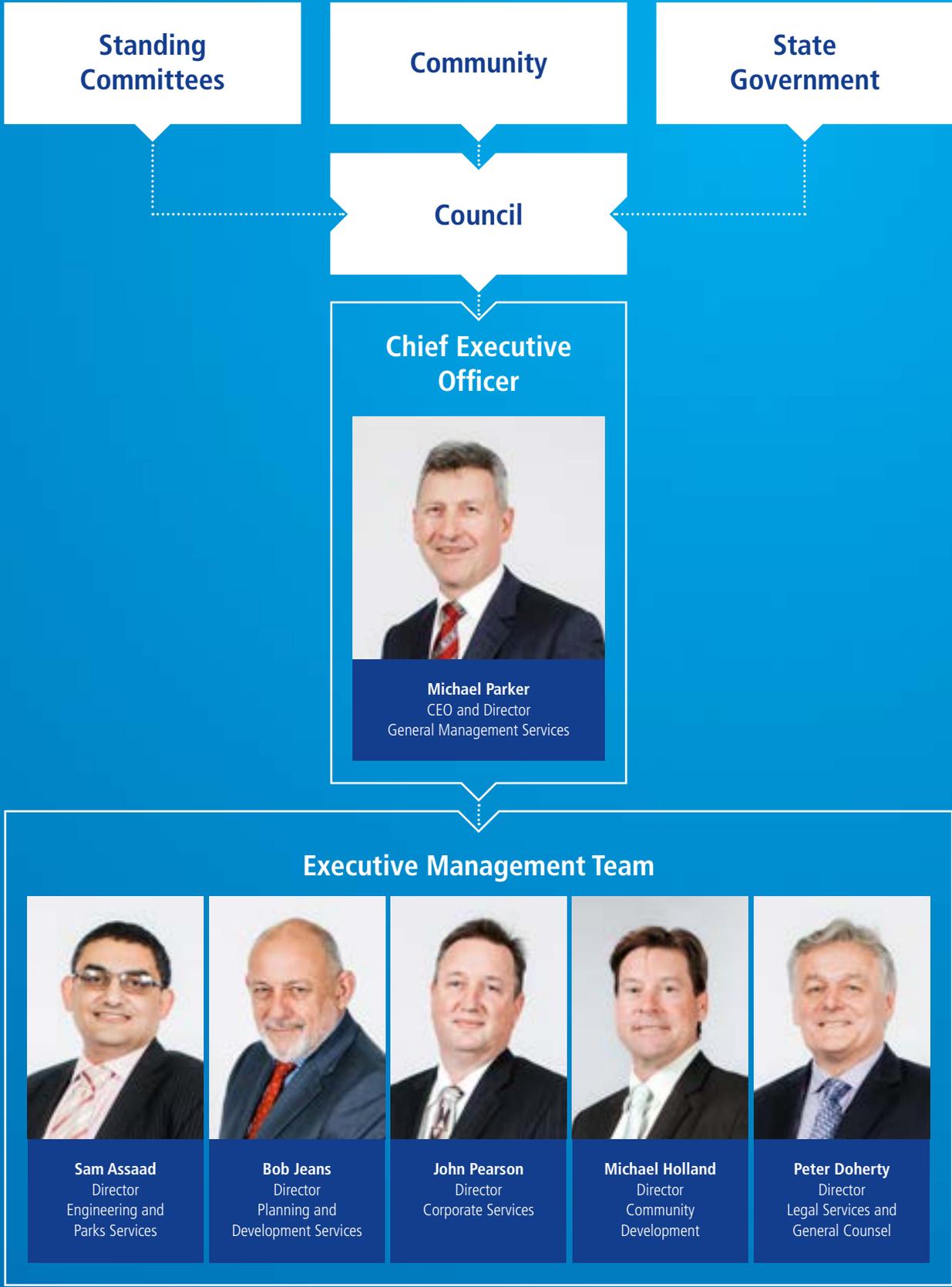


Community Development



Legal Services and General Counsel

Each directorate is led by a director who reports to the Chief Executive Officer (CEO), who is also responsible for the General Management Services Directorate. The CEO is directly accountable to the Council elected by the residents of the City of Rockingham.



**Standing
Committees**

Community

**State
Government**

Council

**Chief Executive
Officer**



Michael Parker
CEO and Director
General Management Services

Executive Management Team



Sam Assaad
Director
Engineering and
Parks Services



Bob Jeans
Director
Planning and
Development Services



John Pearson
Director
Corporate Services



Michael Holland
Director
Community
Development



Peter Doherty
Director
Legal Services and
General Counsel

Michael Parker

Chief Executive Officer

Bachelor of Economics (UWA), Municipal Clerks Certificate of Qualification, Fellow Local Government Professionals Australia WA, 2012 Local Government Managers Australia WA Medal, 2016 WALGA Local Government Distinguished Officer Award.

Key Responsibilities

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

Michael joined the City of Rockingham in August 2018 and has worked for five Western Australian Local Governments since 1988.

He is a former State President of Local Government Managers Australia WA and has spent the past 23 years as CEO at three different councils.



Bob Jeans

Director Planning and Development Services

Bachelor of Arts (Urban and Regional Studies), Fellow of 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 40 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.



Sam Assaad

Director Engineering and Parks Services

Bachelor Engineering (Civil), Diploma Project Management,
Member Institute of Public Works (WA).

Key Focus

- Lead the Engineering and Parks Services Division to work with the community, achieving the best possible outcomes for all stakeholders.
- Provide strong direction and feedback to the Executive in relation to strategic engineering and parks services issues and trends that affect the Rockingham community.
- Develop the leadership capabilities and legislative understanding of all staff members in engineering and parks services to support community outcomes.

Area of Responsibility

- Asset Management Services
- Fleet Management Services
- Traffic Management and Road Safety Services
- Road, Civil and Coastal Engineering and Management Services
- Building and Facility Management Services
- Streetscape, Parks and Playground Management Services
- Project Planning
- Infrastructure Project Delivery
- Civil Maintenance, Renewal and Operations
- Parks Maintenance, Renewal and Operations
- Environmental Maintenance and Operations
- Building Maintenance, Renewal and Operations.

Sam has worked in private industry, federal government and local government in NSW, Victoria and Western Australia. For more than 20 years he has dedicated his career to the local government industry.

Sam has experience in delivering major civil, building, coastal and parks projects, managing maintenance and services contracts and leading engineering and parks operations and services. Sam has spent 12 years developing and embedding asset management principles in local government practices.

Sam joined the City in 2017 and looks forward to building and developing his area of responsibility to deliver excellent outcomes for all the Rockingham community.



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.

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. Michael is passionate about both his job and his community and considers himself very fortunate to work with and be part of his local community.



John Pearson

Director Corporate Services

Master of Accounting, Bachelor of Commerce.

Key Responsibilities

- Financial Services
- Procurement
- Property Services
- Customer and Corporate Support
- Waste Services
- Information Systems.

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.



Peter Doherty

Director Legal Services and General Counsel

Bachelor of Jurisprudence (Honours), Bachelor of Laws (Honours), Nationally Accredited Mediator, Member Law Society of Western Australia, Law Council of Australia and the Association of Corporate Counsel.

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, Peter:

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

Peter is the City's second Director of Legal Services and General Counsel.

Peter has worked in private legal practice for more than 35 years. Until 2006 he was a partner of a top-tier national law firm which specialised in local government law. During 2006 he commenced practice as a barrister at Francis Burt Chambers, where he remained until he joined the City. Peter is a former legal member of the Local Government Standards Panel and a former chairman of the Law Council of Australia's Business Law Section and a deputy-chairman of its Competition and Consumer Law Committee.







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. The DAIP for the period 2016-2019 was endorsed by Council in June 2016 following a comprehensive review process. In line with the requirements of the Act, the progress achieved under the DAIP is reported annually to the Department of Communities. The most recent report was provided in May 2018.

The City also has a Disability Access and Inclusion Strategy 2016-2019 (DAIS) which identifies broad strategic aspirations regarding disability access and inclusion for the Rockingham community. The DAIS outlines the key actions to be implemented to achieve the vision of “an inclusive community that enables people with disability to fulfil their potential as equal citizens”. The DAIS was also endorsed by Council in June 2016.

In 2017/2018 the City continued implementing the actions outlined in the DAIP and the DAIS for the period 2016-2019. A summary of key achievements is provided below.

In 2017/2018 the City:

- Purchased two new beach wheelchairs and 80m of additional beach access matting to enhance access to City beaches for people with mobility restrictions. The City now has five beach wheelchairs available for free hire by community members, and 110m of access matting which is installed from October to April each year.
- Purchased portable audio loops to enhance customer service for hearing aid users at the City’s libraries, Aqua Jetty, the Autumn Centre and the City Administration Building.
- Finalised construction of the Harbour Playground, which was designed to be accessible and inclusive for people of all ages and abilities. The playground provides opportunities for individuals, families and friends with different abilities and skills to play alongside each other in a safe environment.
- Initiated a number of programs for people living with dementia and their carers, including a twice-monthly walking group (RAD Walkers – Rockingham Alzheimer’s and Dementia Walking Group) and a monthly memory café (A Drop In The Ocean Memory Café). Both programs aim to provide people living with dementia and their carers an informal platform to socialise, make new connections, and provide support to one another in a safe, non-judgmental environment.
- Improved processes to ensure that promotional material for City events display the Audio Loop and/or Wheelchair Friendly symbols where appropriate.
- Engaged the Youth Disability Advocacy Network to undertake experiential audits at two significant community events: the Youth Beach Party and Celebrate Ability. Both audits provided valuable feedback that is being used to improve access and inclusion at all City events.
- Engaged DADAA to provide Tactile Tours at the Castaways Sculpture Exhibition, greatly enhancing the number of people with disability who were able to enjoy this experience.
- Continued to provide events and programs at the City’s libraries that are accessible for all members of the community. A series of events to celebrate the International Day of People with Disability was held at the libraries in November and December 2017 including a Silent Disco, Art Exhibition, an author talk and a Human Library event - all of which attracted a large number of attendees.
- Supported community organisations and groups to provide accessible and inclusive community events through the 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 the DAIS and to address disability access and inclusion issues within the City. This group provided valuable input to inform the design of community infrastructure projects being progressed by the City.
- Facilitated the Rockingham Access and Inclusion Network, which comprises local service providers and other stakeholders from the disability sector. The network met six times during 2017/2018, providing opportunities for members to share information, build networks and establish collaborative partnerships.
- Presented Celebrate Ability, an annual community event that celebrates and acknowledges International Day of People with Disability. More than 600 people attended this event in 2017.
- Planned improvements to enhance access to the Secret Harbour Shopping Centre from Oasis Drive, for implementation early in 2018/2019.
- Engaged an accredited access consultant to complete a program of accessibility audits on 42 City-owned and managed buildings and outdoor spaces.
- Provided two Disability Awareness Training sessions for Managers and other staff as part of an ongoing program to raise awareness regarding disability access and inclusion issues, and to better support colleagues and community members 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 (\$2 return).
- Continued to implement the Social Connector Program, which engages people who are experiencing loneliness or social isolation.
- Conducted a user survey and ongoing internal auditing of the City's website in relation to the accessibility of the site and its information. Improvements to enhance access are made regularly and key staff participated in training to support this ongoing work.
- Added information about the availability of alternate format documents to the City's website, Customer Service Charter, Complaints Policy and Community Plan Strategy template. Information on how to contact the City using the National Relay Service was also added to the City's website and the Customer Service Charter.
- Continued to implement an Equal Opportunity Management Plan (2015-2017), which incorporates bi-annual training for staff, delivered by the Equal Opportunity Commission.
- Continued to work with Disability Employment Services to identify and support employment and traineeship opportunities for people with disability.
- Implemented asset improvement and maintenance works at various locations to improve access for people with disability, including:
 - » Stan Twight Reserve: improved signage and refurbishment of toilets
 - » Baldivis South Sports Pavilion: universal access toilet in club area and ambulant change rooms, accessible pathways
 - » Singleton Community Centre: universal access toilets, accessible pathways
 - » Grange Drive bus shelter: improved to be wheelchair compliant
 - » Laurie Stanford Reserve Skate Park: accessible pathways



Record Keeping

In line with Section 19 of the *State Records Act 2000*, local governments are required to have a Record Keeping Plan that is approved by the State Records Commission (SRC). The plan applies to employees, Elected Members and contractors.

The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organisation. In line with Section 17 of the Act, the City and staff are legally required to comply with the actions listed in 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 was reviewed and its review report was submitted to the State Records Office on 13 March 2018. The City's revised Record Keeping Plan will be submitted by 24 December 2018.

During the 2017/2018 financial year the City implemented online records management refresher training for all existing employees. In accordance with the City's Records Management Policy, refresher training will be conducted every two years. A Records Management Handbook was also developed which outlines an employee's roles and responsibilities in the creation, control and disposal of government records.

New employees continue to receive training in records management and in the City's Electronic Document Records Management System (EDRMS). Existing employees also receive refresher training in the EDRMS.

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	0
130,001 – 140,000	6
140,001 – 150,000	1
150,001 – 160,000	8
160,001 – 170,000	6
170,001 – 180,000	1
180,001 – 190,000	0
190,001 – 200,000	0
200,001 – 210,000	1
210,001 – 220,000	0
220,001 – 230,000	2
230,001 – 240,000	0
240,001 – 250,000	1
250,001 – 260,000	1
260,001 – 270,000	0
270,001 – 280,000	1
280,001 – 290,000	0
290,001 – 300,000	0

Record of Meeting Attendance by Councillors

	Cr Sammels	Cr Hamblin	Cr Downham	Cr Whitfield
Council	12/12	12/12	11/12	12/12
Special Council	2/2	2/2	2/2	2/2
Annual Electors	1/1	1/1	0/1	0/1
Planning and Engineering Services Committee	11/12	11/12		12/12
Corporate and Community Development Committee	1 x dep	3/3	12/12	
Audit Committee	4/4	4/4		
Australia Day Awards Selection Panel				
Bush Fire Advisory Committee				
CEO Performance Review Committee	1/1	1/1		
CEO Recruitment Committee	4/4	4/4		
Christmas Festival Occasional Committee		2/2	2/2	
City Safe Advisory Committee	11/12	6/8		5/8
Coastal Facilities Advisory Committee			3/3	
Community Grants Program Committee	3/3		0/1	
Cultural Advisory Committee		0/2		
Customer Review Committee	2/2			
Disability Access and Inclusion Advisory Committee				
Global Friendship Committee	3/3	7/7		
Governance Review Committee	2/2	2/2		
Heritage Reference Group				
Neighbours Unite Advisory Committee				2/3
Pioneers' Luncheon Working Party			4/4	
RoadWise Advisory Committee				7/9
Rockingham Education and Training Advisory Committee		5/5		
Seniors Advisory Committee				2/2
Sports Advisory Committee				
Tourism Strategy Development Advisory Committee				

Cr Smith – 1 July 2017 to 21 October 2017
 Cr Burns and Cr Jones – 21 October 2017 onwards
 Red denotes that the Councillor deputised at the meeting

Cr Elliott	Cr Stewart	Cr Liley	Cr Summers	Cr Jones	Cr Burns	Cr Smith
12/12	12/12	12/12	10/12	9/9	9/9	3/3
2/2	2/2	2/2	2/2	2/2	2/2	
1/1	1/1	1/1	1/1	1/1	1/1	
11/12	2 x dep	1 x dep	10/12		1 x dep	1 x dep
	11/12	12/12		9/9	9/9	3/3
3/4		2/4				
	1/1				1/1	
					3/3	0/1
1/1		1/1				
4/4						4/4
	4/4			2/2	2/2	
		3/4				4/4
	0/1	4/4				
2/3		3/3			2/2	1/1
			2/4		1 x dep	
1/2		1/1			1/1	
	6/6	1/2		4/4		
	2/4		1/3		4/4	
1/2		1/2				
	2/2					
	1/1	1/1			3/3	
	2/4					
					1 x dep	
			4/5			
	5/6				4/4	
		4/4		2/3		1/1
					2/2	



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 2017/2018 year, 15 requests were received for information under FOI and no public interest disclosures were received.

Freedom of Information Statistics 2007/2008 to 2017/2018

Financial Years	FOI Applications	Transfers	Completed	Withdrawn	Not Yet Completed	Internal Review Applications
2017/2018	15	0	16	0	3	1
2016/2017	17	1	14	1	4	0
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

Local Law Review

Every eight years the City reviews local laws. In December 2016 Council directed the Chief Executive Officer to examine the current local laws over 18 months to June 2018. The following local laws were presented to the Governance Review Committee in May 2018:

- Sand Drift Local Law 2018
- Cats Local Law 2018
- Dogs Amendment Local Law 2018
- Bush Fire Control and Bush Fire Brigades Local Law 2018
- Parking Local Law 2018
- Waste Local Law 2018
- Pest Plants Amendment Local Law 2018
- Repeal and Amendment Local Law 2018
- Public Places and Local Government Property Local Law 2018

These local laws were presented to the June 2018 Council Meeting to begin the local law process and put the local laws out for public consultation. After the submission period the local laws will go back to Council for adoption in early 2018/2019 if there are no major changes.

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 754 people became Australian citizens during 2017/2018.

Risk Management

The City acknowledges that risk management is a critical element of good decision making. The role of Council is to make informed decisions and the role of staff is to provide Council with advice based on the best available information before decisions are made. The City's integrated approach to risk enables the organisation to achieve objectives and address uncertainty by considering risk in day to day business operations and ongoing strategic planning.

The Council Policy – Risk Management, and the City's Risk Management Framework are aligned with the International Standard - Risk Management Principles and Guidelines (AS/NZS ISO 31000:2009). The City fulfils its requirement under Regulation 17 of the Local Government (Audit) Regulations 996 by conducting regular reviews of its Risk Management Framework to ensure continuous improvement and meet industry best practice.

Managing Project Risk

The City is responsible for the delivery of a wide range of complex and multidisciplinary projects which vary in scope and scale and will have inherent and emerging risks that the City is exposed to. To further mitigate those risks, in 2017 the City introduced a Project Management Framework and an Executive Policy – Project Management which applies value thresholds, risk assessment and competency accreditation requirements. The framework is based on the Prince2 Principles.







Priorities for the Future

In the year ahead the City will continue to strive to achieve its vision for the future. A range of major infrastructure projects are scheduled for 2018/2019 and beyond to achieve the City's Strategic Aspirations.



Construction on Stage One of the Rockingham Beach Foreshore Revitalisation will begin in July 2018. The \$15.7 million project will comprise three key areas: Railway Terrace, the Beach Plaza and The Boardwalk.

Progress will continue to be made on the development of the \$3.2 million Baldivis South Community Centre. Once complete the 650 square metre facility will be a multipurpose venue capable of hosting several groups at the same time.

A \$2 million all-inclusive play space called the Harbour Playground will be opened. The playground will be accessible to people of all ages and abilities, and is an action in the City's Disability Access and Inclusion Strategy.

The Port Kennedy Drive and Nairn Drive duplications will be completed, improving the safety and flow of traffic for motorists.

Construction on the upgraded Port Kennedy Skate Park will take place, providing a new sub-district level skate park that caters for skate, scooter and BMX riders of varying skill levels.

Baldivis District Sporting Complex Stage 1 Master Plan will be released for public comment.

The Koorana Reserve Masterplan will come before Council, with construction scheduled to start in 2019/2020.



An aerial photograph of a coastal residential development, showing a mix of modern multi-story buildings and traditional houses. A large, semi-transparent blue graphic with a white, splatter-like texture is overlaid on the right side of the image, extending from the top left towards the center. The background shows a clear blue sky and a body of water in the distance.

Financial Report

FOR THE YEAR ENDED 30 JUNE 2018

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Statement by Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2018

**CITY OF ROCKINGHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Rockingham for the financial year ended 30th June 2018 is based on proper accounts and records to present fairly the financial position of the City of Rockingham at 30th June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

1ST day of NOVEMBER 2018


Chief Executive Officer
Michael Parker

Statement of Comprehensive Income by Nature or Type

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	23(a)	83,154,317	83,003,600	79,224,918
Operating grants, subsidies and contributions	2(a)	4,206,813	4,826,743	6,363,687
Fees and charges	2(a)	46,070,884	52,387,373	43,271,204
Service charges	23(b)	769,885	777,828	866,324
Interest earnings	2(a)	4,093,642	3,795,000	4,041,690
Other revenue	2(a)	15,255,121	16,977,995	17,091,699
		153,550,663	161,768,539	150,859,522
Expenses				
Employee costs		(53,358,708)	(55,163,447)	(48,105,577)
Materials and contracts		(38,115,853)	(41,557,007)	(38,724,857)
Utility charges		(6,045,032)	(6,177,395)	(4,967,283)
Depreciation on non-current assets	9(b)	(71,103,873)	(68,857,466)	(75,340,347)
Interest expenses	2(b)	(987,470)	(918,297)	(1,045,160)
Insurance expenses		(1,095,994)	(1,306,053)	(1,237,559)
Other expenditure		(24,882,788)	(28,475,833)	(25,986,740)
		(195,589,718)	(202,455,498)	(195,407,523)
		(42,039,056)	(40,686,959)	(44,548,001)
Non-operating grants, subsidies and contributions	2(a)	19,160,436	15,902,014	25,428,132
Profit on asset disposals	9(a)	10,501	544,630	0
(Loss) on asset disposals	9(a)	(346,198)	(671,444)	(2,417,630)
Net Result		(23,214,318)	(24,911,759)	(21,537,499)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	730,834,065	0	(5,507,795)
Total other comprehensive income		730,834,065	0	(5,507,795)
Total comprehensive income		707,619,748	(24,911,759)	(27,045,294)

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

Statement of Comprehensive Income by Program

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue	2(a)			
Governance		294,069	320,921	171,764
General purpose funding		90,060,429	92,379,600	87,804,610
Law, order, public safety		1,602,190	886,814	1,516,064
Health		288,070	243,494	313,895
Education and welfare		442,917	546,205	424,124
Housing		3,650,044	3,473,565	3,535,371
Community amenities		46,537,589	59,232,847	49,807,206
Recreation and culture		6,787,917	13,552,412	3,034,314
Transport		490,393	3,725,161	601,644
Economic services		1,906,016	2,475,733	2,346,195
Other property and services		1,491,029	833,801	1,304,335
		153,550,663	177,670,553	150,859,522
Expenses	2(a)			
Governance		(3,990,634)	(4,873,234)	(16,349,125)
General purpose funding		(2,677,891)	(2,610,100)	(882,237)
Law, order, public safety		(7,120,824)	(7,309,101)	(5,709,343)
Health		(2,251,851)	(2,272,174)	(1,734,078)
Education and welfare		(5,680,084)	(6,517,705)	(4,784,976)
Housing		(3,527,377)	(3,277,167)	(3,374,609)
Community amenities		(44,907,037)	(59,572,526)	(48,939,356)
Recreation and culture		(50,666,400)	(52,789,612)	(40,760,562)
Transport		(69,642,221)	(67,916,219)	(66,755,787)
Economic services		(3,092,211)	(3,241,780)	(2,771,415)
Other property and services		(1,045,720)	(7,059,597)	(2,300,875)
		(194,602,250)	(217,439,215)	(194,362,363)

		2018 Actual \$	2018 Budget \$	2017 Actual \$
Finance Costs	2(a)			
Law, order, public safety		(42,160)	(42,155)	(44,551)
Education and welfare		(12,331)	0	0
Housing		0	(15,921)	(23,107)
Recreation and culture		(907,614)	(814,837)	(907,186)
Economic services		(25,365)	(45,384)	(70,316)
		(987,470)	(918,297)	(1,045,160)
		(42,039,056)	(40,686,959)	(44,548,001)
Non-operating grants, subsidies and contributions	2(a)	19,160,436	15,902,014	25,428,132
Profit on disposal of assets	9(a)	10,501	544,630	0
(Loss) on disposal of assets	9(a)	(346,198)	(671,444)	(2,417,630)
		18,824,739	15,775,200	23,010,502
Net Result		(23,214,318)	(24,911,759)	(21,537,499)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	730,834,065	0	(5,507,795)
Total other comprehensive income		730,834,065	0	(5,507,795)
Total comprehensive income		707,619,748	(24,911,759)	(27,045,294)

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

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2018 \$
Current assets			
Cash and cash equivalents	3	90,459,229	85,551,915
Trade and other receivables	5	11,606,816	12,854,178
Inventories	6	175,667	381,395
Total current assets		102,241,711	98,787,488
Non-current assets			
Other receivables	5	1,394,186	1,595,310
Property, plant and equipment	7	299,294,062	303,166,849
Infrastructure	8	1,803,212,287	1,098,191,007
Total non-current assets		2,103,900,535	1,402,953,164
Total assets		2,206,142,246	1,501,740,652
Current liabilities			
Trade and other payables	11	14,327,546	14,721,313
Current portion of long term borrowings	12(A)	1,556,415	2,921,227
Provisions	13	8,938,993	9,683,606
Total current liabilities		24,822,954	27,326,146
Non-current liabilities			
Long term borrowings	12(A)	10,061,965	11,617,176
Provisions	13	12,472,365	11,632,116
Total non-current liabilities		22,534,330	23,249,292
Total liabilities		47,357,284	50,575,438
Net assets		2,158,784,962	1,451,165,214
Equity			
Retained surplus		419,242,431	442,703,977
Reserves - cash backed	4	43,019,022	42,771,793
Revaluation surplus	10	1,696,523,509	965,689,444
Total equity		2,158,784,962	1,451,165,214

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2016		461,090,838	45,922,431	971,197,239	1,478,210,508
Comprehensive income					
Net result		(21,537,499)	0	0	(21,537,499)
Changes on revaluation of assets	10	0	0	(5,507,795)	(5,507,795)
Total comprehensive income		(21,537,499)	0	(5,507,795)	(27,045,294)
Transfers from/(to) reserves		3,150,638	(3,150,638)	0	0
Balance as at 30 June 2017		442,703,977	42,771,793	965,689,444	1,451,165,214
Comprehensive income					
Net result		(23,214,318)	0	0	(23,214,318)
Changes on revaluation of assets	10	0	0	730,834,065	730,834,065
Total comprehensive income		(23,214,318)	0	730,834,065	707,619,747
Transfers from/(to) reserves		(247,229)	247,229	0	0
Balance as at 30 June 2018		419,242,431	43,019,022	1,696,523,509	2,158,784,962

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Cash flows from operating activities				
Receipts				
Rates		82,678,617	80,503,600	78,248,696
Operating grants, subsidies and contributions		5,888,026	8,826,743	6,230,373
Fees and charges		46,070,884	50,887,373	43,271,204
Service charges		769,885	777,828	866,324
Interest earnings		4,093,642	3,795,000	4,041,690
Goods and services tax		6,115,853	4,589,632	5,130,754
Other revenue		15,075,121	16,977,995	17,091,700
		160,692,028	166,358,171	154,880,741
Payments				
Employee costs		(53,262,858)	(55,163,447)	(46,775,164)
Materials and contracts		(38,101,099)	(41,557,007)	(37,273,748)
Utility charges		(6,045,032)	(6,177,395)	(4,967,283)
Interest expenses		(1,010,476)	(918,297)	(1,288,475)
Insurance expenses		(1,095,994)	(1,306,053)	(1,237,560)
Goods and services tax		(5,879,888)	(4,596,355)	(5,922,415)
Other expenditure		(24,882,788)	(28,475,833)	(25,986,740)
		(130,278,135)	(138,194,387)	(123,451,385)
Net cash provided by/(used in) operating activities	14	30,413,893	28,163,784	31,429,356

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Cash flows from investing activities				
Payments for purchase of property, plant and equipment		(9,550,866)	(31,458,246)	(27,463,940)
Payments for construction of infrastructure		(21,176,521)	(41,245,592)	(17,916,417)
Non-operating grants, subsidies and contributions		7,453,837	15,902,014	11,675,875
Proceeds from sale of fixed assets		679,990	1,166,800	1,162,124
Net cash provided by (used in) investing activities		(22,593,560)	(55,635,024)	(32,542,358)
Cash flows from financing activities				
Repayment of long term borrowings		(2,920,026)	(2,921,228)	(2,095,959)
Proceeds from self supporting loans		7,007	27,372	38,185
Proceeds from new long term borrowings		0	9,225,000	0
Net cash provided by (used In) financing activities		(2,913,019)	6,331,144	(2,057,774)
Net increase (decrease) in cash held		4,907,314	(21,140,096)	(3,170,777)
Cash at beginning of year		85,551,915	72,316,638	88,722,691
Cash and cash equivalents at the end of the year	14	90,459,229	51,176,542	85,551,915

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

Rate Setting Statement

FOR THE YEAR ENDED 30 JUNE 2018

NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Operating activities			
Net current assets at start of financial year	39,420,979	29,066,566	39,101,973
- surplus/(deficit)	39,420,979	29,066,566	39,101,973
Revenue from operating activities (excluding rates)			
Governance	307,483	545,921	374,264
General purpose funding	8,888,174	11,276,000	11,474,038
Law, order, public safety	1,621,764	979,049	1,570,185
Health	288,070	243,494	313,895
Education and welfare	442,917	553,793	424,124
Housing	3,650,044	3,473,565	3,535,371
Community amenities	48,666,568	64,071,213	52,261,369
Recreation and culture	10,396,116	19,415,406	9,012,809
Transport	11,909,102	6,863,322	14,478,386
Economic services	1,906,016	2,490,139	2,346,196
Other property and services	1,491,029	1,201,695	1,306,154
	89,567,282	111,113,597	97,096,791
Expenditure from operating activities			
Governance	(3,990,634)	(4,875,667)	(16,353,216)
General purpose funding	(2,677,891)	(2,610,100)	(882,238)
Law, order, public safety	(7,185,146)	(7,395,315)	(7,191,527)
Health	(2,254,956)	(2,272,174)	(1,740,224)
Education and welfare	(5,693,947)	(6,517,705)	(4,785,068)
Housing	(3,527,377)	(3,293,088)	(3,397,717)
Community amenities	(45,090,457)	(60,193,341)	(49,733,520)
Recreation and culture	(51,671,912)	(53,604,449)	(41,712,415)
Transport	(69,642,221)	(67,916,219)	(66,755,786)
Economic services	(3,118,301)	(3,291,301)	(2,845,848)
Other property and services	(1,083,076)	(7,059,597)	(2,427,593)
	(195,935,916)	(219,028,956)	(197,825,152)

		2018 Actual \$	2018 Budget \$	2017 Actual \$
	NOTE			
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(10,501)	(544,630)	0
Loss on disposal of assets	9(a)	346,198	671,444	2,417,630
Movement in deferred pensioner rates (non-current)		138,164	0	(99,446)
Movement in employee benefit provisions (non-current)		840,249	37,216	715,260
Movement in employee benefit provisions (current)		(744,614)	234,067	434,992
Provision for sick leave		(268,648)	0	(74,656)
Purchase and Construction of Infrastructure (Non-Cash Developer Contribution)	8(b)	(11,706,597)	0	(13,752,257)
Depreciation and amortisation on assets	9(b)	71,103,872	68,857,466	75,340,347
Amount attributable to operating activities		(7,249,530)	(9,593,230)	3,355,481
Investing activities				
Proceeds from disposal of assets	9(a)	679,990	1,166,800	1,162,124
Purchase of property, plant and equipment	7(b)	(9,550,868)	(31,458,246)	(27,463,940)
Purchase and construction of infrastructure	8(b)	(21,176,521)	(41,245,592)	(17,916,416)
Amount attributable to investing activities		(30,047,397)	(71,537,038)	(44,218,232)
Financing activities				
Repayment of long term borrowings	12(a)	(2,920,026)	(2,921,228)	(2,095,959)
Proceeds from new long term borrowings	12(b)	0	9,225,000	0
Proceeds from self supporting loans	12(a)	83,448	27,372	38,185
Transfers to reserves (restricted assets)	4	(3,694,244)	(7,962,395)	(7,465,449)
Transfers from reserves (restricted assets)	4	3,447,016	3,374,513	10,616,087
Amount attributable to financing activities		(3,083,807)	1,743,262	1,092,865
Surplus(deficiency) before general rates		(40,380,734)	(79,387,006)	(39,769,886)
Total amount raised from general rates	23	83,154,317	83,003,600	79,190,865
Net current assets at June 30 c/fwd. - surplus/(deficit)	24	42,773,583	3,616,593	39,420,979

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

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. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

Critical accounting estimates

The preparation of a financial report in conformity with 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 26 to these financial statements.

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.



Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2018

2. Revenue and Expenses

	2018 Actual \$	2017 Actual \$
a) Revenue		
Other revenue		
Reimbursements and recoveries	1,731,025	2,179,554
Bert England Lodge income	3,246,254	3,031,000
Landfill Internal Charge	9,318,269	10,518,630
Other	959,573	1,362,515
	15,255,121	17,091,699

Other revenue for 2018 exclude Internal Charges, which is netted off against expenditure

Fees and Charges		
Governance	11,930	1,506
General purpose funding	307,413	471,933
Law, order, public safety	1,384,766	1,133,557
Health	274,277	300,458
Education and welfare	196,911	196,168
Housing	403,520	478,611
Community amenities	36,275,522	37,519,314
Recreation and culture	5,892,675	1,460,493
Transport	79,325	96,127
Economic services	1,123,063	1,450,948
Other property and services	121,482	162,089
	46,070,884	43,271,204

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

	2018 Actual \$	2017 Actual \$
Grant Revenue		
Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income		
Operating grants, subsidies and contributions		
Governance	29,554	41,228
General purpose funding	2,577,584	3,911,860
Law, order, public safety	179,415	349,265
Health	4,745	5,553
Education and welfare	222,763	206,521
Housing	270	180
Community amenities	54,956	699,123
Recreation and culture	325,538	406,190
Transport	416,864	439,751
Economic services	2,392	4,280
Other property and services	392,733	299,736
	4,206,813	6,363,687
Non-operating grants, subsidies and contributions		
Governance	0	202,500
General purpose funding	1,992,564	2,860,293
Law, order, public safety	17,586	54,121
Community amenities	2,128,979	2,454,163
Recreation and culture	3,602,599	5,978,495
Transport	11,418,709	13,876,742
Other property and services	0	1,818
	19,160,436	25,428,132
Total grants, subsidies and contributions	23,367,249	31,791,819

2. Revenue and Expenses (continued)

Significant accounting policies

Grants, Donations and Other Contributions

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

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 22. 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 period.

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Interest earnings			
- Loans receivable - clubs/institutions			
- Reserve funds	1,466,456	2,900,000	1,336,161
- Other funds	1,527,706	475,000	1,658,672
Other interest revenue (refer note 23(d))	1,099,480	420,000	1,046,857
	4,093,642	3,795,000	4,041,690

	2018 Actual \$	2017 Actual \$

b) Expenses

Other revenue

Significant expense		
Depreciation	71,103,873	75,340,347
Operating expense - Millar Road - Refuse disposal levy	10,154,896	11,921,740
	81,258,770	87,262,087

Auditors remuneration

- Audit of the Annual Financial Report	53,000	35,924
	53,000	35,924

Interest expenses (finance costs)

Long term borrowings (refer Note 12 (a))	975,138	1,022,053
Finance Charges Bert England Lodge	12,332	23,107
	987,470	1,045,160

3. Cash and Cash Equivalents

	Note	2018 \$	2017 \$
Unrestricted		44,459,700	37,484,125
Restricted		45,999,529	48,067,790
		90,459,229	85,551,915

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

Town Planning Scheme Review	4	433,824	423,023
Public Car Park Reserve- Cash in Lieu Contributions	4	1,996,410	1,946,704
Waste and Landfill Preservation	4	15,453,862	15,069,098
CLAG- Peel Mosquito Control	4	23,393	22,810
Administration Building	4	1,088,020	1,060,931
City Centre Carpark- Cash in Lieu	4	251,270	245,014
City Centre Development	4	2,658,565	2,426,605
Workers Compensation	4	1,268,762	1,049,623
Anstey park Shared Costs	4	1,209,249	1,460,081
Legal Fees	4	944,548	921,031
Strategic Master Planning	4	658,106	641,721
Active Aging Development Reserve	4	184,401	54,813
Bert England Lodge Capital Works Bank	4	2,142,957	2,089,602
Active Aging Coordinator and Consultancy	4	0	179,809
Capital Works and Purchases	4	4,708,027	4,590,808
Employee Leave	4	5,803,911	5,659,408
Developer Contributions Scheme	4	3,198,030	4,137,770
Challenger Court	4	205,107	200,000
Learning City Strategy	4	790,581	592,942
Unspent grants	22	2,980,507	5,295,997
		45,999,529	48,067,790

Significant accounting policies

Cash and cash equivalents

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

4. Reserves - Cash Backed

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual \$	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
Town Planning Scheme Review	423,023	10,801	0	433,824	423,022	10,533	0	433,555	411,184	11,839	0	423,023
Public Car Park Reserve- Cash in Lieu Contributions	1,946,704	49,706	0	1,996,410	1,946,704	48,473	0	1,995,177	1,717,163	229,541	0	1,946,704
Waste and Landfill Preservation	15,069,098	384,765	0	15,453,862	15,069,096	375,221	0	15,444,317	14,647,385	421,713	0	15,069,098
CLAG- Peel Mosquito Control	22,810	582	0	23,393	22,810	568	0	23,378	22,172	638	0	22,810
Administration Building	1,060,931	27,089	0	1,088,020	1,060,393	26,404	0	1,086,797	491,685	569,246	0	1,060,931
City Centre Carpark- Cash in Lieu	245,014	6,256	0	251,270	425,116	10,585	0	435,701	413,219	11,897	(180,102)	245,014
City Centre Development	2,426,605	231,960	0	2,658,565	2,426,605	230,422	0	2,657,027	2,358,696	67,909	0	2,426,605
Workers Compensation	1,049,623	219,139	0	1,268,762	1,049,623	26,136	0	1,075,759	1,020,250	29,373	0	1,049,623
Property Valuation Fees	0	0	0	0	0	0	0	0	192,998	2,880	(195,878)	0
Storm Damage	0	0	0	0	0	0	0	0	331,952	4,954	(336,906)	0
Anstey park Shared Costs	1,460,081	37,281	(288,113)	1,209,249	1,460,082	36,356	(300,000)	1,196,438	2,642,865	72,269	(1,255,053)	1,460,081
Legal Fees	921,031	23,517	0	944,548	921,031	22,934	0	943,965	895,256	25,775	0	921,031
Climate Change Management	0	0	0	0	0	0	0	0	14,606	218	(14,824)	0
Strategic Master Planning	641,721	16,385	0	658,106	641,721	15,979	0	657,700	623,762	17,959	0	641,721
Baldvis Road Upgrade- DC	0	0	0	0	0	0	0	0	1,436,088	41,346	(1,477,434)	0
Harrington Waters Specified Area Rates	54,813	1,400	(56,213)	(0)	51,687	1,287	(52,974)	0	91,065	2,622	(38,874)	54,813
Active Aging Development Reserve	179,809	4,591	0	184,401	179,809	4,477	0	184,286	174,777	5,032	0	179,809
Bert England Lodge Capital Works Bank	2,089,602	53,355	0	2,142,957	2,089,602	52,031	0	2,141,633	70,616	2,018,986	0	2,089,602
Capital Works and Purchases	4,590,808	117,219	0	4,708,027	3,530,808	1,837,917	0	5,368,725	3,431,997	1,158,811	0	4,590,808
Employee Leave	5,659,408	144,504	0	5,803,911	5,659,408	140,919	0	5,800,327	5,501,028	158,380	0	5,659,408
Developer Contributions Scheme	4,137,770	2,155,448	(3,095,188)	3,198,030	4,651,195	4,912,409	(2,931,539)	6,632,065	6,193,832	2,128,186	(4,184,248)	4,137,770
Carbon Tax	0	0	(1)	0	0	0	0	0	2,850,695	82,073	(2,932,768)	0
Challenger Court	200,000	5,107	0	205,107	200,000	4,980	0	204,980	0	200,000	0	200,000
Learning City Strategy	592,942	205,140	(7,500)	790,581	592,941	204,764	(90,000)	707,705	389,140	203,802	0	592,942
	42,771,793	3,694,244	(3,447,016)	43,019,022	42,401,653	7,962,395	(3,374,513)	46,989,535	45,922,431	7,465,449	(10,616,087)	42,771,793

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

4. Reserves - Cash Backed (continued)

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

Name of Reserve	Purpose of the reserve
Town Planning Scheme Review	to be used to fund preparation of new and/or existing Town Planning Schemes
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.
Waste and Landfill Preservation	to be used to fund expenditure associated with providing a refuse disposal service.
CLAG- Peel Mosquito Control	to be used to fund the controlling of mosquitos through the Peel Mosquito Management Group.
Administration Building	to be used to fund Administration Complex expenditure.
City Centre Carpark- Cash in Lieu	to be used to fund costs associated with provisions of public infrastructure.
City Centre Development	to be used to fund development of the City Centre.
Workers Compensation	to be used to meet expenditure associated with workers compensation premiums.
Property Valuation Fees	to be used to meet future valuation of properties expenditure
Storm Damage	to be used to meet future expenditure associated with major storm damage.
Anstey park Shared Costs	to be used to receive developers funds in advance to meet future project costs.
Legal Fees	to be used to meet future expenditure incurred by Council on legal fees.
Climate Change Management	to be used to meet future Renewable Energy Initiative expenses
Strategic Master Planning	to be used to meet strategic planning expenses associated with the growth of the City.
Baldivis Road Upgrade- DC	to be used to receive funds paid in advance by developers for future expenses
Harrington Waters Specified Area Rates	to be used to set aside funds for the maintenance of the Reserves.
Active Aging Development Reserve	to be used to meet expenses of Active Aging Programmes and Initiatives.
Bert England Lodge Capital Works Bank	to be used to meet future capital expenditure at Bert England Lodge.
Capital Works and Purchases	to be used to fund capital works and purchases.
Employee Leave	to be used to fund Employee Leave Liabilities.
Developer Contributions Scheme	to be used to fund Capital Works and Administration of Scheme.
Carbon Tax	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.
Challenger Court	to meet future capital expenditure
Learning City Strategy	to increase tertiary education opportunities for Rockingham residents

5. Trade and Other Receivables

	Note	2018 \$	2017 \$
Current			
Rates outstanding		5,383,119	4,769,255
Sundry debtors		4,647,628	6,370,149
GST receivable		574,895	810,861
Self Supporting Loans	12	6,885	20,366
Sundry Debtors- Southern Cross Care		994,289	876,540
Self Supporting Advances		0	7,007
		11,606,816	12,854,178
Non-current			
Rates outstanding - pensioners		1,348,040	1,486,204
Self Supporting Loans	12	46,146	109,106
		1,394,186	1,595,310

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding			
Includes:			
Past due and not impaired (Older than 120 days)		6,731,159	6,255,459
Older than 120 days			
Sundry Debtors			
Includes:			
Past due and not impaired (Older than 120 days)		2,507,824	3,691,673
Impaired		1,194,195	1,412,920

Sundry Debtors classified as impaired relate to receivables from normal operating business of the City in regards to Rangers, Planning, Building and sundry fees and charges. The City has sufficient provision for these impaired and doubtful debts.

Significant accounting policies

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for 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.

Classification and subsequent measurement

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.

6. Inventories

	2018	2017
Note	\$	\$
Current		
Fuel and materials	175,667	201,395
Land held for resale - cost	0	0
Cost of acquisition	0	180,000
	175,667	381,395

Significant accounting policies

General

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

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

Land held for resale

Land held for development and resale 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.

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

7. Property, Plant and Equipment

a) Property, Plant and Equipment

	2018	2017
	\$	\$
Land and buildings		
Land at:		
- Independent valuation 2014 - level 2	0	99,925,694
- Independent valuation 2017 - level 2	84,638,150	(15,287,544)
- Additions after valuation - cost	9,825,769	9,825,769
	94,463,919	94,463,919
Total land	94,463,919	94,463,919
Land Infrastructure at:		
- Independent valuation 2014 - level 2	0	16,454,437
- Independent valuation 2018 - level 3	19,693,624	0
- Additions after valuation - cost	0	6,275,115
Work in Progress at Cost	477,165	35,137
Less: accumulated depreciation	(4,002,760)	(4,762,741)
	16,168,029	18,001,948
Buildings at:		
- Independent valuation 2017 - level 2	148,955,400	148,955,400
- Management valuation 2017 - level 2	4,334,939	4,334,939
- Additions after valuation - cost	17,281,995	8,149,955
Work in Progress at Cost	8,023,163	10,911,904
Less: accumulated depreciation	(6,637,051)	(817,981)
	171,958,446	171,534,217
Total buildings	188,126,475	189,536,165
Total land and buildings	282,590,394	284,000,084
Furniture and equipment at:		
- Management valuation 2016 - level 2	1,797,442	1,797,442
- Independent valuation 2016 - level 3	2,546,393	2,827,829
- Additions after valuation - cost	1,595,773	1,324,644
Work in Progress at Cost	137,231	82,350
Less: accumulated depreciation	(2,671,777)	(1,353,113)
	3,405,062	4,679,152

	2018	2017
	\$	\$
Plant and equipment at:		
- Independent valuation 2016 - level 2	13,698,664	15,044,200
- Additions after valuation - cost	4,417,764	1,950,839
Less: accumulated depreciation	(5,470,644)	(2,955,755)
	12,645,784	14,039,284
Miscellaneous Assets at:		
- Management valuation 2015 - level 2	0	441,540
- Independent valuation 2018 - level 2	652,822	0
- Additions after valuation - cost	0	21,580
Work in Progress at Cost	0	4,000
Less: accumulated depreciation	0	(18,790)
	652,821	448,330
Total property, plant and equipment	299,294,062	303,166,849

7. Property, Plant and Equipment (continued)

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:

	Land	Total land	Infrastructure	Land	Buildings	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Miscellaneous Assets	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	99,925,694	99,925,694	15,903,922	160,819,299	176,723,221	276,648,915	5,177,587	16,690,505	457,363	298,974,370	
Additions	10,005,769	10,005,769	3,672,735	9,627,979	13,300,714	23,306,483	776,946	3,370,518	9,993	27,463,940	
(Disposals)	0	0	0	(888,551)	(888,551)	(888,551)	(38)	(2,691,166)	0	(3,579,755)	
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	9,779,749	9,779,749	9,779,749	0	0	0	9,779,749	
Revaluation (loss)/ reversals transferred to profit or loss	(15,287,544)	(15,287,544)	0	0	0	(15,287,544)	0	0	0	(15,287,544)	
Depreciation (expense)	0	0	(1,563,377)	(7,709,072)	(9,272,449)	(9,272,449)	(1,275,343)	(3,330,573)	(19,026)	(13,897,391)	
Transfers	(180,000)	(180,000)	(11,332)	(95,188)	(106,520)	(286,520)	0	0	0	(286,520)	
Carrying amount at 30 June 2017	94,463,919	94,463,919	18,001,948	171,534,216	189,536,164	284,000,083	4,679,152	14,039,284	448,330	303,166,849	
Additions	0	0	442,027	6,243,298	6,685,326	6,685,326	326,010	2,466,925	72,606	9,550,868	
(Disposals)	0	0	0	0	0	0	0	(918,106)	(17,853)	(935,959)	
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	(796,928)	0	(796,928)	(796,928)	0	0	160,428	(636,500)	
Depreciation (expense)	0	0	(1,479,018)	(5,819,070)	(7,298,088)	(7,298,088)	(1,318,664)	(2,942,318)	(10,690)	(11,569,760)	
Transfers	0	0	0	0	0	0	(281,436)	0	0	(281,436)	
Carrying amount at 30 June 2018	94,463,919	94,463,919	16,168,029	171,958,446	188,126,475	282,590,394	3,405,062	12,645,783	652,821	299,294,062	

7. Property, Plant and Equipment (continued)

c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land					
- Independent valuation 2014	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2014	Purchase costs and residual values
- Independent valuation 2017	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2017	Purchase costs and residual values
Land Infrastructure					
- Independent valuation 2014	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2014	Purchase costs and residual values
- Independent valuation 2018	3	Cost Approach. Current replacement cost calculating depreciated value	Independent valuers	July 2018	"Unit rates obtained by using cost guides and through the prices supplied by the COR Useful life estimated using condition, known age and estimated age"
Buildings					
- Management valuation 2017	2	Market approach using recent observable market data for similar properties	Management valuation	June 2017	Purchase costs and residual values
- Independent valuation 2017	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2017	Purchase costs and residual values
Furniture and equipment					
- Management valuation 2016	2	Market approach using recent observable market data for similar properties	Management valuation	June 2016	Purchase costs and current condition
- Independent valuation 2016	3	Market approach using recent observable market data for similar properties	Independent valuers	June 2016	Residual values and remaining useful life assessments

7. Property, Plant and Equipment (continued)

c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Plant and equipment					
- Independent valuation 2016	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2016	Purchase costs and current condition
Miscellaneous Assets					
- Independent valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Purchase costs and current condition
- Independent valuation 2018	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2018	Market price for comparable public artworks by the same artist. Comparative market analysis for subjective and objective adjustments includes reputation of the artist and a condition of the artwork. Highest realistic price from a major art gallery, organisation, individual in Australia that has similar like subject, medium, mannerism and condition, size and age. (not including cost approach)

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.

All buildings are identified as non-specialised.

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.

8. Infrastructure

a) Infrastructure

	2018	2017
	\$	\$
Infrastructure - Roads, footpaths and drainage		
- Management valuation 2015 - level 2	0	1,042,698,583
- Management valuation 2018 - level 3	1,676,297,454	0
Work in Progress at Cost	10,058,916	5,409,863
- Additions after valuation - cost	0	49,717,768
Less: accumulated depreciation	0	(100,132,668)
	1,686,356,370	997,693,546
Other infrastructure		
- Management valuation 2015 - level 2	0	98,471,011
- Management valuation 2018 - level 3	109,423,882	0
Work in Progress at Cost	7,510,086	2,519,223
- User Additions after valuation - cost	0	14,029,461
Less: accumulated depreciation	(78,051)	(14,522,234)
	116,855,917	100,497,461
Total infrastructure	1,803,212,287	1,098,191,007

8. Infrastructure (continued)

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.

	Infrastructure - Roads, Footpaths and Drainage \$	Infrastructure - Other \$	Total Infrastructure \$
Balance at 1 July 2016	1,027,240,405	100,724,885	1,127,965,290
Additions	23,067,695	8,600,978	31,668,673
Depreciation (Expense)	(52,614,554)	(8,828,402)	(61,442,956)
Carrying amount at 30 June 2017	997,693,546	100,497,461	1,098,191,007
Additions	21,632,667	11,250,451	32,883,118
(Disposals)	0	(79,727)	(79,727)
(Decrements) Transferred to revaluation Surplus	718,986,191	12,484,374	731,470,565
Depreciation (Expense)	(51,956,034)	(7,578,079)	(59,534,113)
Transfers	0	281,437	281,437
Carrying amount at 30 June 2018	1,686,356,370	116,855,917	1,803,212,287

8. Infrastructure (continued)

c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads					
Management valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and residual values
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	June 2018	Current condition and remaining useful life assessments
Footpaths and Crossovers					
Management valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and residual values
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	June 2018	"Inspections are carried out by City's Asset Inspector as per IPWEA guidelines under grading system. All Boardwalks inspections were carried out by external consultant under similar guidelines. Quantity, condition and unit rates data are highly reliable"
Drainage					
Management valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and residual values
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	June 2018	All the pits and pipes condition assessments were carried out by external consultant where quantity and condition data are uncertain.

8. Infrastructure (continued)

c) Fair Value Measurements (continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Other					
Management valuation 2015	2	Market approach using recent observable market data for similar properties	Management valuation	June 2015	Construction costs and residual values
Management valuation 2018	2	Cost Approach - Depreciated replacement cost	Management valuation	June 2018	Unit rates are derived from the City's Tender rates.
Independent valuation 2018	2	1) Market price for comparable artworks by the same artist 2) Cost approach - Replacement/ Reproduction method	Independent valuers	June 2018	Market price for comparable public artworks by the same artist and comparative market analysis for subjective and objective adjustments includes reputation of the artist and a condition of the artwork In cases where Mkt price is not available: Cost approach used on a judgement made on methodology 'reproduction method' or 'replacement method'
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	June 2018	All inspections were carried out by the City Asset Management Officers as per IPWEA grading system and WALGA guidelines for asphalt and binder condition. Quantity, condition and cost data are reliable.

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.

9. Fixed Assets

Significant accounting policies

Fixed assets

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), 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.

Depreciation

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

a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.

For example, the gross carrying amount may be restated by references to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses or

b) the accumulated depreciation is eliminated against the gross carrying amount of the asset. The amount of the adjustment of accumulated depreciation forms part of the increase or decrease in carrying amount that is account for in accordance with paragraphs 39, Aus 39.1, 4, Aus 40.1 and Aus 40.2.

9. Fixed Assets (continued)

a) Disposals of Assets

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
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Mobile plant Equipment	25,158	31,865	6,707	0	23,933	21,500	0	(2,433)
Law, order, public safety								
Mobile plant Equipment	188,951	166,790	0	(22,162)	66,824	115,000	92,235	(44,059)
Plant and Machinery and Equipment	2,924	3,918	994	0				
Health								
Mobile plant Equipment	12,379	9,274	0	(3,105)	48,200	48,200	0	0
Education and welfare								
Mobile plant Equipment	24,772	23,240	0	(1,532)	7,112	14,700	7,588	0
Community amenities								
Mobile Plant and Equipment	50,716	48,060	0	(2,656)	836,543	257,500	41,772	(620,815)
Plant and Machinery and Equipment	186,380	5,616	0	(180,764)				
Recreation and culture								
Mobile plant Equipment	18,293	21,092	2,800	0	3,465	24,200	20,735	0
Plant and Machinery and Equipment	3,649	3,331	0	(317)				
Miscellaneous (Infrastructure)	159,454	79,727	0	(79,727)				
Property Plant and Equipment	35,707	17,853	0	(17,853)				
Economic services								
Mobile plant Equipment	10,090	9,365	0	(725)	31,231	41,500	14,406	(4,137)
Other property and services								
Mobile plant Equipment	153,127	151,251	0	(1,875)	276,306	644,200	367,894	0
Plant and Machinery and Equipment	144,086	108,606	0	(35,480)				
	1,015,687	679,990	10,501	(346,198)	1,293,614	1,166,800	544,630	(671,444)

9. Fixed Assets (continued)

b) Depreciation

	2018	2017
	\$	\$
Land Infrastructure	1,479,018	1,563,377
Buildings	5,819,069	7,709,072
Furniture and equipment	1,318,664	1,275,343
Plant and equipment	2,942,318	3,330,573
Miscellaneous Assets	10,690	19,026
Infrastructure - Roads, footpaths and drainage	51,956,034	52,614,554
Other infrastructure	7,578,079	8,828,402
	71,103,873	75,340,347

Significant accounting policies

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.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Depreciation rates

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

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

10. Revaluation Surplus

	2018 Opening Balance \$	2018 Revaluation Increment \$	2018 Revaluation (Decrement) \$	2018 Total Movement on Revaluation \$	2018 Closing Balance \$	2017 Opening Balance \$	2017 Revaluation Increment \$	2017 Revaluation (Decrement) \$	2017 Total Movement on Revaluation \$	2017 Closing Balance \$
Revaluation surplus - Land	64,504,026	0	0	0	64,504,026	79,791,570	0	(15,287,544)	(15,287,544)	64,504,026
Revaluation surplus - Land Infrastructure	0	0	(796,928)	(796,928)	(796,928)	0	0	0	0	0
Revaluation surplus - Buildings	85,343,086	0	0	0	85,343,086	75,563,336	9,779,749	0	9,779,749	85,343,086
Revaluation surplus - Furniture and equipment	3,554,563	0	0	0	3,554,563	3,554,563	0	0	0	3,554,563
Revaluation surplus - Plant and equipment	2,311,533	0	0	0	2,311,533	2,311,533	0	0	0	2,311,533
Revaluation surplus - Miscellaneous Assets	0	160,428	0	160,428	160,428	0	0	0	0	0
Revaluation surplus - Infrastructure - Roads, footpaths and drainage	772,984,996	718,986,191	0	718,986,191	1,491,971,187	772,984,996	0	0	0	772,984,996
Revaluation surplus - Other infrastructure	36,991,240	12,484,374	0	12,484,374	49,475,614	36,991,240	0	0	0	36,991,240
	965,689,444	731,630,993	(796,928)	730,834,065	1,696,523,509	971,197,238	9,779,749	(15,287,544)	(5,507,795)	965,689,444

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

11. Trade and Other Payables

	2018	2017
	\$	\$
Current		
Sundry creditors	9,743,955	10,284,638
Accrued interest on long term borrowings	72,763	95,769
Accrued salaries and wages	557,056	556,842
Bert England Lodge liabilities	3,953,772	3,784,063
	14,327,546	14,721,313

Bert England Lodge Liabilities is refundable accomodation deposits (RAD) received from aged care residents. The balance of the deposit is refunded when the resident leaves the residential facilities.

Significant accounting policies

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.

	2018	2017
	\$	\$
Restricted funds held		
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants	2,980,507	5,295,997
	2,980,507	5,295,997

12. Information on Borrowings

a) Repayments - Borrowings

Particulars	Financial Institution	Principal 1 July 2017	Principal Repayments		Principal 30 June 2018		Interest Rate	Interest Repayments	
			Actual	Budget	Actual	Budget		Actual	Budget
Law, order, public safety									
Loan No. 263- Dog Pound	WATC	575,275	35,345	35,345	539,930	539,930	7.44%	42,155	42,155
Recreation and culture									
Loan No. 242 - Rockingham Bowling Club	WATC	69,955	13,878	13,878	56,077	56,077	6.30%	4,192	4,192
Loan No. 244H - Wambro Recreation Centre	WATC	423,254	423,254	423,254	0	0	7.01%	14,987	14,987
Loan No. 244I - Wambro Recreation Centre	WATC	423,952	423,952	423,952	0	0	7.01%	15,082	15,082
Loan No. 244J - Wambro Recreation Centre	WATC	635,770	98,194	98,194	537,576	537,576	7.01%	42,877	42,877
Loan No. 245 (1) - Waterfront Village	WATC	270,553	27,348	27,348	243,204	243,205	5.90%	15,565	15,565
Loan No. 245 (2) - Waterfront Village	WATC	272,636	27,376	27,376	245,260	245,260	6.08%	16,166	16,166
Loan No. 245 (3) - Waterfront Village	WATC	275,173	27,407	27,407	247,766	247,766	6.30%	16,911	16,911
Loan No. 245 (4) - Waterfront Village	WATC	271,135	27,356	27,356	243,779	243,779	5.95%	15,731	15,731
Loan No. 252 (1) - Larkhill Development	WATC	270,553	27,348	27,348	243,204	243,205	5.90%	15,565	15,565
Loan No. 252 (2) - Larkhill Development	WATC	408,955	41,064	41,064	367,891	367,891	6.08%	24,250	24,250
Loan No. 252 (3) - Larkhill Development	WATC	275,174	27,407	27,407	247,767	247,767	6.30%	16,911	16,911
Loan No. 264 (1) - Larkhill Regional Sporting Complex	WATC	542,264	54,713	54,713	487,551	487,551	5.95%	31,463	31,463
Loan No. 270B - Larkhill Development	WATC	301,842	25,748	25,748	276,094	276,094	6.38%	18,853	18,853
Loan 274 - Larkhill Development	WATC	1,656,815	119,984	119,984	1,536,831	1,536,831	6.87%	111,797	111,797
Loan 275 - Larkhill Development	WATC	1,797,740	110,455	110,455	1,687,285	1,687,285	7.44%	131,735	131,735
Loan 276 - Larkhill Development	WATC	4,314,575	265,091	265,091	4,049,484	4,049,484	7.44%	316,164	316,164
Loan 277 - Jetties	WATC	54,507	54,507	54,507	0	0	7.51%	3,089	3,089

12. Information on Borrowings (continued)

a) Repayments - Borrowings (continued)

Particulars (continued)	Financial Institution	Principal 1 July 2017	Principal Repayments		Principal 30 June 2018		Interest Rate	Interest Repayments	
			Actual	Budget	Actual	Budget		Actual	Budget
Other property and services									
Loan 280 - Shoalwater Underground Power Project	WATC	1,638,761	1,083,111	1,084,312	555,650	554,449	3.31%	45,384	45,384
		14,478,888	2,913,539	2,914,741	11,565,349	11,564,149		898,878	898,878
Self Supporting Loans									
Recreation and culture									
Loan No. 212 (1) - R'ham Entertainers (Refer note 5.)	WATC	59,518	6,487	6,487	53,031	53,031	6.04%	3,498	3,498
		59,518	6,487	6,487	53,031	53,031		3,498	3,498
Loan Interest Accrued		14,538,408	2,920,026	2,921,228	11,618,380	11,617,180		902,376	902,376
					72,763	72,763		15,921	15,921
		14,538,408	2,920,026	2,921,228	11,691,142	11,617,180		975,138	918,297

Self supporting loans are financed by payments from third parties as per the City's policy.

All other loan repayments were financed by general purpose revenue.

All loan repayments were financed by general purpose revenue.

Loan 242 - Rockingham Bowling Club, was reclassified from Self Supporting to the City borrowing during the 2018 financial year.

12. Information on Borrowings (continued)

a) Repayments - Borrowings (continued)

	2018	2017
	\$	\$
Borrowings		
Current	1,556,415	2,921,227
Non-current	10,061,965	11,617,176
	11,618,380	14,538,403

b) New Borrowings - 2017/2018

	Amount Borrowed	
	Actual	Budget
	\$	\$
Particulars/Purpose		
Loan -Rockingham Central Library	0	3,300,000
Loan -Mercy Point Jetty	0	1,425,000
Loan - Baldivis District Sportsplex	0	4,500,000
	0	9,225,000

c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2018	2017
	\$	\$
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	(133,684)	(6,822)
Total amount of credit unused	616,316	743,178
Unused loan facilities at balance date	NIL	NIL

Significant accounting policies

Financial liabilities

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

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

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.

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.

13. Provisions

	Provision for Annual Leave \$	Provision for EPTO Leave \$	Provision for Long Service Leave \$	Provision for Rehabilitation Millar Rd \$	Total \$
Opening balance at 1 July 2017					
Current Provision	4,285,647	1,817,918	3,580,041	0	9,683,606
Non-current Provision	0	0	1,069,767	10,562,349	11,632,116
	4,285,647	1,817,918	4,649,808	10,562,349	21,315,723
Additional provision	0	268,647.0	0	0	268,647
Amounts used	(38,029)	0.0	(134,983)	0	(173,012)
Balance at 30 June 2018	4,247,618	2,086,566	4,514,825	10,562,349	21,411,358
Comprises					
Within 12 months of the end of the reporting period	4,247,618	2,086,566	2,604,809	0	8,938,993
More than 12 months after the end of the reporting period	0	0	1,910,016	10,562,349	12,472,365
	4,247,618	2,086,566	4,514,825	10,562,349	21,411,358

Significant accounting policies

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.

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 and are therefore considered to be other long term employee benefits. 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 re-measurements 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.

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.

14. Notes to the Statement of Cash Flows

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:

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Cash and cash equivalents	90,459,229	51,176,542	85,551,915

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(23,214,318)	(24,911,759)	(21,537,499)
Less: Non Cash Contribution	(11,706,597)	0	(13,752,257)
Non-cash flows in Net result:			
Depreciation	71,103,873	68,857,466	75,340,347
(Profit)/loss on sale of asset	335,697	126,814	2,417,630
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,441,479	(4,826,895)	(1,901,197)
(Increase)/decrease in inventories	205,728	(1,185,642)	95,588
Increase/(decrease) in payables	(393,767)	(8,752,584)	1,292,367
Increase/(decrease) in provisions	95,636	(1,143,616)	1,150,253
Grants contributions for the development of assets	(7,453,840)	0	(11,675,875)
Net cash from operating activities	30,413,893	28,163,784	31,429,356

15. Total Assets Classified By Function and Activity

	2018 \$	2018 \$
Governance	24,350,684	25,348,478
Law, order, public safety	8,896,920	8,982,039
Health	1,457,650	1,537,837
Education and welfare	26,685,021	26,986,388
Housing	13,375,485	13,773,270
Community amenities	29,845,323	32,899,098
Recreation and culture	247,375,606	232,223,624
Transport	1,684,666,881	1,000,907,770
Economic services	3,136,573	3,218,441
Other property and services	36,503,643	36,698,434
Unallocated	129,848,459	119,165,275
	2,206,142,246	1,501,740,654

16. Contingent Liabilities

The City of Rockingham has no contingent liabilities.

17. Capital Commitments

	2018	2017
	\$	\$
Contracted for:		
- capital expenditure projects		
Furniture Equipment and Fittings	0	2,727
Road Construction	498,941	1,936,169
Building Land and Fixed Equipment	4,306,065	1,114,181
Reserve and Infrastructure	850,032	1,127,045
Plant, Machinery and Equipment - Various	511,382	901,956
Computer	448,118	106,221
Footpath and Crossovers	24,137	2,531
Miscellaneous Infrastructure	1,650	27,050
- plant and equipment purchases		
Payable:		
- not later than one year	6,640,326	5,217,880

18. Joint Venture Arrangements and Investment in Associates

a) Joint Venture Arrangements

The Council is a member participant in a project for the South West Group with the cities of Cockburn, Fremantle, Kwinana and Melville, and Town of East Fremantle. The purpose of the joint arrangement is to facilitate and promote economic and community development of the South West Metropolitan Region. City's share in the net assets of the South West Group was:

	2018	2017
	\$	\$
Amount of Interest	83,538	53,412
Cost/Project Sharing Ratio	23.20%	23.61%

The interest amount consist of unspent monies at end of year.

Significant accounting policies

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 arrangements 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 28 for a description of the equity method of accounting.

Joint 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.

b) Investment in Associates

The City has no investment in associates.

19. Related Party Transactions

Elected Members Remuneration

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Meeting Fees	305,444	340,673	315,537
Mayor/President's allowance	87,550	94,000	87,550
Deputy Mayor/President's allowance	21,888	24,000	21,888
Travelling expenses	12,964	25,000	14,579
Telecommunications allowance	32,847	36,750	35,313
Members Incidental Expenses	1,555	0	988
	462,248	520,423	475,855

Key Management Personnel (KMP) Compensation Disclosure

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

	2018 \$	2017 \$
Short-term employee benefits	5,688,344	6,213,456
Post-employment benefits	674,546	696,109
Other long-term benefits	127,600	742,309
Termination benefits	18,128	282,129
	6,508,618	7,934,003

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

19. Related Party Transactions (continued)

Transactions with related parties

Transactions between related parties, and the City are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	133,648	143,107
(Maintenance agreement with company owned by relative of key management personnel.)		
Joint venture entities:		
Distributions received from joint venture entities	0	0
Amounts outstanding from related parties:		
Trade and other receivables	0	0
Loans to associated entities	0	0
Loans to key management personnel	0	0
Amounts payable to related parties:		
Trade and other payables	0	38,513
Loans from associated entities	0	0

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel. Also includes close family, members of key management personnel and entities controlled, jointly controlled by any of the key management personnel or their close family members.

ii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint venture entities accounted for under the proportionate consolidation method

The City has a interest in South West Management Group. City's share in the net assets of the group is disclosed in Note 18

20. Major Land Transactions

a) Details

Sale of Land:

2017/2018

Lot 55 (14) Trafalgar Gardens, Port Kennedy \$161,234

Acquisition of Land:

2016/2017

Lot 4, 103, 104 and 105 Eighty Road in Baldivis was purchased for the construction of the Baldivis Sporting Complex for \$10,005,769.

2017/2018

NIL

b) Current year transactions

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Operating expenditure			
- Loss on sale	(18,766)	0	0
Capital income			
- Sale proceeds	161,234	170,000	0
Capital expenditure			
- Purchase of land	0	0	10,005,769

The above capital expenditure is included in land held for resale.

c) Expected Cash Flows

	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	Total \$
Cash outflows							
- Acquisition costs							
- Development costs							
	0	0	0	0	0	0	0
Net cash flows	0	0	0	0	0	0	0

21. Trading Undertakings and 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.

	2017/2018 Actual \$	2017/2018 Budget \$	2016/2017 Actual \$
Operating			
Operating Revenue			
Landfill Operations	22,410,135	29,270,458	25,994,987
Transfer Station	3,196,035	3,282,000	3,190,569
Recycling Operations	553,160	380,000	415,601
	26,159,330	32,932,458	29,601,157
Operating Expenditure			
Landfill Operations	(16,487,790)	(20,345,003)	(19,970,595)
Transfer Station	(1,626,450)	(1,876,492)	(1,665,799)
Recycling Operations	(458,092)	(338,963)	(31,885)
Waste Education Centre	(196,124)	0	(224,748)
	(18,768,456)	(22,560,458)	(21,893,027)
Net Operating Result	7,390,874	10,372,000	7,708,130
Non Operating			
Non Operating Revenue			
Landfill Operations	0	72,300	155,854
	0	72,300	155,854
Non Operating Expenditure			
Landfill Operations	(451,891)	(4,237,700)	(4,497,200)
Net Capital Movement	(451,891)	(4,165,400)	(4,341,346)
Net Overall Result	6,938,983	6,206,600	3,366,784

22. Conditions Over Grants/Contributions

Grant/Contribution

	Opening Balance ⁽¹⁾ 1/07/2016	Received ⁽²⁾ 2016/2017	Expended ⁽³⁾ 2016/2017	Closing Balance ⁽¹⁾ 30/06/2017	Received ⁽²⁾ 2017/2018	Expended ⁽³⁾ 2017/2018	Closing Balance 30/06/2018
	\$	\$	\$	\$	\$	\$	\$
Governance							
WA Police - Graffiti Management Solutions Grant	0	18,179	(11,172)	7,007	0	0	7,007
General purpose funding							
Federal Assistance Grants- 2016/2017	0	4,415,146	(2,053,391)	2361755	4,571,966	(4,506,345)	2,427,376
Law, order, public safety							
Department of Fire and Emergency Services Grant VBFB	0	209,625	(187,985)	21,640	84,589	(89,787)	16,442
Department of Fire and Emergency Services Grant SES	3,121	104,090	(90,966)	16,245	61,875	(60,682)	17,438
Safety Heroes	4,725	0	(4,725)	0	0	0	0
Neighbourhood Watch Australasia-Neighbours Unite Bin Stickers	0	3,000	(3,000)	0	0	0	0
Baldivis-Single Bush Fire Brigade	0	0	0	0	17,586	(17,586)	(0)
Grant-Community Safety,WAOPPL Grant	0	0	0	0	25,000	0	25,000
AWARE- FESA Grant Community Safety	0	0	0	0	3,988	(3,988)	0
Education and welfare							
Department of Community Development- Youth Outreach Operating Grant	57,221	179,241	(185,688)	50,774	180,729	(166,676)	64,827
Healthway Grant- Music Festival and Schools Take Part	7,260	7,850	(15,110)	0	5,470	(5,470)	0
Healthway Grant- PhotoVoice	5,940	9,750	(6,930)	8,760	3,481	(12,241)	0
Department of Transport-Bike Week Grant	0	750	(750)	0	0	0	0
Good Things Foundation Limited-Activation Grant	0	0	0	0	1,500	(1,500)	0
Department of Industry, Stronger Communities Grant	0	0	0	0	20,239	(20,239)	0
Department of Communities-Age friendly Rockingham communication	0	0	0	0	4,700	0	4,700

22. Conditions Over Grants/Contributions (continued)

Grant/Contribution (continued)

	Opening Balance ⁽¹⁾ 1/07/2016	Received ⁽²⁾ 2016/2017	Expended ⁽³⁾ 2016/2017	Closing Balance ⁽¹⁾ 30/06/2017	Received ⁽²⁾ 2017/2018	Expended ⁽³⁾ 2017/2018	Closing Balance 30/06/2018
	\$	\$	\$	\$	\$	\$	\$
Community amenities							
Better Bins Kerbside Collection Grant- 360 Litre Recycling Bins	206,617	690,000	(896,617)	0	0	0	0
Public Transport and Bus shelters grant	0	0	0	0	45,722	(29,388)	16,334
Recreation and culture							
Department of Transport- Point Peron Coastal Erosion Project	75,012	0	0	75,012	0	0	75,012
Secret Harbour Dockers Football Club- Contributions towards kitchen work	34,770	51,864	(86,634)	0	0	0	0
WA Tourism- Mersey Point Jetty	122,458	350,000	(36,457)	436,001	0	(436,001)	0
Outdoor Gym Equipment	16,618	0	(16,618)	0	0	0	0
Department of Sport and Rec-Baldivis South Sports Pavilion (Eighty Road)	0	337,500	(180,287)	157,213	112,500	(269,713)	0
Department of Sport and Rec-Golden Bay Sports Pavilion	0	259,953	(259,953)	0	0	0	0
Department of Sport and Rec-Singleton Sports and Community Centre	0	276,676	(276,676)	0	0	0	0
DIRD-Upgrade Dixon Road Reserve Netball Courts	0	20,000	(20,000)	0	0	0	0
Department of Sport and Rec - Sport 4 All - KidSport Programme	0	283,000	(282,746)	254	192,945	(193,199)	0
Department of Sport and Rec - Club Development Officer Scheme	0	40,000	(40,000)	0	40,000	(40,000)	0
Children's Book Council of Australia - Book Week	0	2,000	(2,000)	0	24,000	(22,000)	2,000
Department of Infrastructure and Regional Development-Rockingham Foreshore Redevelopment	0	349,966	(349,966)	0	0	0	0
Sub total	533,742	7,608,590	(5,007,671)	3,134,661	5,396,290	(5,874,815)	2,656,136

22. Conditions Over Grants/Contributions (continued)

Grant/Contribution (continued)

	Opening Balance (1) 1/07/2016 \$	Received (2) 2016/2017 \$	Expended (3) 2016/2017 \$	Closing Balance (1) 30/06/2017 \$	Received (2) 2017/2018 \$	Expended (3) 2017/2018 \$	Closing Balance 30/06/2018 \$
B/Fwd	533,742	7,608,590	(5,007,671)	3,134,661	5,396,290	(5,874,815)	2,656,136
Department of Planning, Coast West Projects 2018	0	0	0	0	7,375	(7,375)	0
Lotterywest Grant- Outdoor Community Facility	0	0	0	0	400,000	(400,000)	0
Stronger Communities Grant- Department of Industry	0	0	0	0	20,000	(20,000)	0
Coastwest Grant Pt Kennedy fshore rehabilitation	0	0	0	0	7,375	(7,375)	0
Transport							
WA Planning Commission Area Assistance Grant- Dixon Rd	51,826	0	0	51,826	0	0	51,826
Conservation Reserve							
"WA Planning Commission Area Assistance Grant- Tamworth Swamp Baldvis"	84,597	0	(48,058)	36,539	0	0	36,539
MRRG Program Specific- Baldvis Rd (S'Bay to Highbury Boulevard)	536,823	640,000	(928,037)	248,786	0	(248,786)	0
Stockland Development- Footpath Safety Bay Road	0	717,160	(717,160)	0	0	0	0
Australand Pty Ltd- Contribution to Pike/Eighty Road Roundabout	80,000	0	0	80,000	0	0	80,000
Federal Roads to Recovery Grants (R2R)	850,760	2,384,279	(3,235,039)	0	1,276,748	(1,276,748)	0
Samoa Independent Seventh Day-Mundijong/St Albans Roads	0	53,826	0	53,826	0	(53,826)	0
Intersection upgrade							
MRRG Program Capital	0	450,958	(450,958)	0	1,376,097	(1,376,097)	0
National Black Spot Funding	0	339,702	(339,702)	0	67,166	(67,166)	0
State Black Spot (SBS)	0	0	0	0	57,200	(57,200)	0
DLGC Grant	0	0	0	0	150,000	0	150,000
Road Safety Commission-Roadwise Grant	0	7,000	(7,000)	0	0	0	0
WALGA Road Wise Committee	0	1,500	0	1,500	0	(1,500)	0
Peet No. 73 Pty Ltd - Baldvis Road Upgrade Contribution	0	1,688,859	0	1,688,859	0	(1,688,859)	0

22. Conditions Over Grants/Contributions (continued)

Grant/Contribution (continued)

	Opening Balance ⁽¹⁾ 1/07/2016 \$	Received ⁽²⁾ 2016/2017 \$	Expended ⁽³⁾ 2016/2017 \$	Closing Balance ⁽¹⁾ 30/06/2017 \$	Received ⁽²⁾ 2017/2018 \$	Expended ⁽³⁾ 2017/2018 \$	Closing Balance 30/06/2018 \$
Other property and services							
Tesla Motors-Install Tesla EV Charger	0	1,818	(1,818)	0	0	0	0
Department of Transport-Donald Drive Boat Ramp Study	0	44,503	(44,503)	0	0	0	0
WA Property investor Pty Ltd- Landscape Contribution Lot 250 Secret Harbour Blvd	0	0	0	0	6,006	0	6,006
DIGSCI-SR Baldvis Sport Field Grant	0	0	0	0	100,000	(100,000)	0
Stronger Communities Grant-Baldvis enclosed-Leash dog exercise	0	0	0	0	20,000	(20,000)	0
Total	2,137,748	13,938,195	(10,779,946)	5,295,997	8,884,257	(11,199,747)	2,980,507

Notes:

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

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

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

23. Rating Information

a) Rates

Rate Type	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	2018 Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$	2017 Actual \$
Differential general rate / general rate										
Gross rental valuations										
Residential	0.0677	32,478	653,135,146	44,191,129	979,030	45,170,159	44,191,129	700,000	44,891,129	41,418,117
Non Residential	0.0800	1,234	182,399,598	14,591,968	0	14,591,968	14,591,968	75,000	14,666,968	13,714,867
Unimproved valuations										
Improved	0.0010	64	112,290,000	111,167	6,574	117,741	111,167	5,000	116,167	127,052
Vacant	0.0010	81	257,230,000	254,658	0	254,658	254,658	0	254,658	261,546
Sub-Total		33,857	1,205,054,744	59,148,922	985,604	60,134,525	59,148,922	780,000	59,928,922	55,521,582
Minimum payment Minimum \$										
Gross rental valuations										
Residential	1,118	20,052	270,217,707	22,418,136	0	22,418,136	22,418,136	0	22,418,136	23,149,560
Non Residential	1,118	329	2,339,219	367,822	0	367,822	367,822	0	367,822	345,030
Unimproved valuations										
Improved	630	89	39,024,000	56,070	0	56,070	56,070	0	56,070	41,366
Vacant	630	55	23,606,852	34,650	0	34,650	34,650	0	34,650	21,801
Sub-Total		20,525	335,187,778	22,876,678	0	22,876,678	22,876,678	0	22,876,678	23,557,757
Written off Rates										
Rates Debtors with Credit Balances				(8,132)					(2,000)	(5,066)
Special Area rates				0					200,000	116,592
Total				83,003,071					83,003,600	79,224,918
Ex-gratia rates				151,246						
Total amount raised from general rate				83,154,317					83,003,600	79,224,918
Significant accounting policies										
Rates										

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

23. RATING INFORMATION (Continued)

b) Service Charges

Service Charges	Amount of Charge \$	2018 Revenue Raised \$	2018 Budget Revenue \$	Charges Applied to Costs \$	Charges Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Charges Applied to Costs \$	Budget Charges Set Aside to Reserve \$	Budget Reserve Applied to Costs \$	2017 Revenue Raised \$
Shoalwater North Underground Power - 22	820	215,660	216,480	0	0	15,645	216,480	0	14,743	233,700
Shoalwater North Underground Power - 23	838	10,897	10,897	0	0	788	10,897	0	742	14,250
Shoalwater North Underground Power - 24	850	19,556	20,406	0	0	1,475	20,406	0	1,390	24,657
Shoalwater North Underground Power - 25	865	29,419	29,419	0	0	2,126	29,419	0	2,004	31,149
Shoalwater North Underground Power - 26	910	14,564	17,295	0	0	1,250	17,295	0	1,178	20,026
Shoalwater North Underground Power - 27	1,181	445,049	448,590	0	0	32,419	448,590	0	30,551	501,713
Shoalwater North Underground Power - 28	656	5,906	5,906	0	0	427	5,906	0	402	8,531
Shoalwater North Underground Power - 30	856	19,694	19,694	0	0	1,423	19,694	0	1,341	19,694
Shoalwater North Underground Power - 31	860	3,441	3,441	0	0	249	3,441	0	234	5,161
Shoalwater North Underground Power - 32	872	4,358	4,358	0	0	315	4,358	0	297	6,101
Shoalwater North Underground Power - 33	880	880	880	0	0	64	880	0	60	880
Shoalwater North Underground Power - 35	462	462	462	0	0	33	462	0	31	462
		769,885	777,828	0	0	56,213	777,828	0	52,974	866,324

Nature of the Service Charge	Objects of the Charge	Reason for Charge	Area/Properties Charge Imposed
Underground Power	For the provision of Underground Power to properties	Fund underground power to Shoalwater North	Shoalwater North

23. Rating Information (Continued)

c) Discounts, Incentives, Concessions, and Write-offs

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Rate or Fee Write-offs:			
Rates written off	8,132	2,000	10,000
	8,132	2,000	10,000

Incentives:

The National Australia Bank provides ten prizes of \$500, which is drawn on a random basis by computer generation of ratepayer who have paid their rates and services charges in full (including arrears) by the due date for payments of rates.

d) Interest Charges and Instalments

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
		3.50	5.50%	10.00%
Option One				
Single full payment	25-Aug-17			
Option Two				
First instalment	25-Aug-17			
Second instalment	02-Jan-18			
Option Three				
First instalment	25-Aug-17			
Second instalment	25-Oct-17			
Third instalment	02-Jan-18			
Fourth instalment	02-Mar-18			

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Interest on unpaid rates	595,067	400,000	542,447
Interest on instalment plan	504,413	420,000	471,905
Charges on instalment plan	157,228	200,000	165,575
Pensioner Deferred Rate interest	35,997	35,000	32,505
	1,292,705	1,055,000	1,212,432

24. Net Current Assets

Composition of net current assets for the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2017 (30 June 2017 Brought Forward) \$
Current Assets		
Cash and cash equivalents		
Unrestricted	44,459,700	37,484,125
Restricted	45,999,529	48,067,790
Receivables		
Rates outstanding	5,383,119	4,769,255
Sundry debtors	4,647,628	6,370,149
GST receivable	574,895	810,861
Loans receivable - clubs/institutions	0	7,007
Self Supporting Loans	6,885	20,366
Sundry Debtors- Southern Cross Care	994,289	876,540
Inventories		
Fuel and materials	175,667	201,396
Land held for resale - cost		
Cost of acquisition	0	180,000
Less: Current Liabilities		
Trade and other payables		
Sundry creditors	(9,743,955)	(10,284,638)
Accrued interest on long term borrowings	(72,763)	(95,769)
Accrued salaries and wages	(557,056)	(556,842)
Bert England Lodge liabilities	(3,953,772)	(3,784,063)
Current portion of long term borrowings	(1,556,415)	(2,921,227)
Provisions		
Provision for annual leave	(4,247,618)	(4,285,647)
Provision for EPTO leave	(2,086,566)	(1,817,918)
Provision for long service leave	(2,604,809)	(3,580,041)
Unadjusted net current assets	77,418,758	71,461,344
Adjustments		
Less: Reserves - restricted cash	(43,019,023)	(42,771,793)
Less: Land held for resale - cost	(28,109)	(28,114)
Less: Loans receivable - clubs/institutions	(6,885)	(20,366)
Less: Self Supporting Loans Advances	0	(7,007)
Add: Current portion of long term borrowings	1,556,415	2,921,227
Add: Provision for annual leave	4,247,618	4,285,647
Add: Provision for long service leave	2,604,809	3,580,041
Adjusted net current assets - surplus/(deficit)	42,773,583	39,420,979

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

25. 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	
	2018 \$	2017 \$	2018 \$	2017 \$
Financial assets				
Cash and cash equivalents	90,459,229	85,551,915	90,459,229	85,551,915
Receivables	13,001,002	14,449,488	13,001,002	14,449,485
	103,460,231	100,001,403	103,460,231	100,001,400
Financial liabilities				
Payables	14,327,546	14,721,313	14,327,546	14,721,313
Borrowings	11,618,380	14,538,403	11,618,380	14,538,403
	25,945,926	29,259,716	25,945,926	29,259,716

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.

a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss
Available-for-sale financial assets
Held-to-maturity investments

The City's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. 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 is 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.

	2018 \$	2017 \$
Impact of a 1% (1) movement in interest rates on cash		
- Equity	904,592	855,519
- Statement of Comprehensive Income	904,592	855,519

Notes:

Sensitivity percentages based on management's expectation of future possible interest rate movements.

25. Financial Risk Management (Continued)

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:

	2018 %	2017 %
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	68%	89%
- Overdue	32%	11%

c) Cash and Receivables

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

	Due within		Total	
	0 - 6mth \$	7-12mth \$	contractual cash flows \$	Carrying values \$
2018				
Receivables	11,606,816	0	11,606,816	11,606,816
Cash	90,459,229	0	90,459,229	90,459,229
	102,066,045	0	102,066,045	102,066,045
2017				
Receivables	12,854,178	0	12,854,178	12,854,178
Cash	85,551,915	0	85,551,915	85,551,915
	98,406,093	0	98,406,093	98,406,093

25. Financial Risk Management (Continued)

d) Payables and borrowings

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

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

	Due within 0 - 12mth \$	Due between 1 and 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2018					
Payables	14,327,546	0	0	14,327,546	14,327,546
Borrowings	1,556,415	5,892,868	4,169,097	11,618,380	11,618,380
	15,883,961	5,892,868	4,169,097	25,945,926	25,945,926
2017					
Payables	14,721,313	0	0	14,721,313	14,721,313
Borrowings	3,823,603	4,309,006	6,405,794	14,538,403	14,538,403
	18,544,916	4,309,006	6,405,794	29,259,716	29,259,716

25. Financial Risk Management (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 2018								
Borrowings								
Fixed rate								
Long term borrowings	901,713	1,639,964	0	0	0	9,076,703	11,618,380	6.95%
Weighted average								
Effective interest rate	7.23%	3.31%	0.00%	0.00%	0.00%	6.47%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	847,206	1,694,472	0	0	0	11,997,931	14,539,609	6.59%
Weighted average								
Effective interest rate	7.10%	3.45%	0.00%	0.00%	0.00%	7.00%		

26. 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 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Appeal Funds	592	0	0	592
Autumn Centre	50	1,850	(1,150)	750
Cash in Lieu POS Contributions	1,310,512	10,901	(100)	1,321,313
Castaways	213	7,810	(7,810)	213
Cat Trap Deposits	200	0	(40)	160
Cleaning Bond	38,531	66,850	(70,451)	34,930
Nomination Deposits	0	2,160	(1,600)	560
Key Deposit	28,230	13,430	(10,320)	31,340
Landscape Bonds	0	1,200	0	1,200
Lease Agreement Bond Deposit	15,000	0	0	15,000
Mary Davies Library	36,250	70,795	(62,500)	44,545
Recreation Equipment	100	0	(100)	0
Rockingham Arts Centre	0	850	(850)	0
Subdivisional Bonds	1,555,532	1,577,481	(1,151,316)	1,981,697
Town Planning Scheme Amendments	2,661	1,000	(330)	3,331
Trust- Other	41,264	160	(14,360)	27,064
Unclaimed Monies	32,608	50	(379)	32,279
Work Deposit Prepayments	25,524	0	0	25,524
	3,087,267	1,754,538	(1,321,306)	3,520,498

27. 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 2019	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. The effect of this Standard will depend on the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted. 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.

Notes:

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

27. New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Application In Future Periods (continued)

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.

Notes:

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

Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

Title	Issued / Compiled	Applicable (1)	Impact
(i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities		1 January 2017	
(ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities		1 January 2017	

28. Significant Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

29. Activities/Programs

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

Program Name	Objective
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,
Law, Order, Public Safety	Fire Emergency Services, Animal Control/Ranger General and Other Law, Order and Public Safety.
Health	Maternal and 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 operations of housing programs other than those for the benefit of council staff. These included housing for aged persons.
Community Amenities	Sanitations Household Refuse, Sanitation Other, Protection of Environment and town Planning and Regional Development.
Recreation And Culture	Swimming Areas and Beaches, Other Recreation and Sport, Libraries and Other Culture.
Transport	Construction and Maintenance of Streets, Roads and Bridges.
Economic Services	Economic Development and Area Promotion, Building Control and Other Economic Services.
Other Property And Services	Other Property and Services, Public Works Overheads and Unclassified.

30. Financial Ratios

	2018	2017	2016
Current ratio	2.27	2.34	2.70
Asset sustainability ratio	0.59	0.77	0.82
Debt service cover ratio	7.77	9.44	10.02
Operating surplus ratio	(0.32)	(0.36)	(0.25)
Own source revenue coverage ratio	0.68	0.66	0.70
Asset consumption ratio	0.90	0.73	0.76
Asset renewal funding ratio	0.92	0.86	0.77

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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of Planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

31. Aged Care Reporting

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.

	2018 \$	2017 \$
Revenue		
Other Revenue	3,246,253	3,035,545
Operating Expenditure		
Other Expenses	(17,528)	9,305
Building Maintenance	(9,625)	(13,193)
Operating Expenses	(8,575)	(10,269)
Salaries	(9,246)	(3,581)
Utility Charges	(84,073)	(96,255)
Contractor Expense	(1,973,109)	(1,896,150)
Consultancy Costs	(251,052)	(233,381)
Minor Capital Expenditure	(16,971)	(9,571)
Property Expense	(184,437)	(170,641)
Food Expense	(132,139)	(133,500)
Training Costs	(3,557)	(18,628)
Stationery	(6,083)	(6,930)
Transport	(2,090)	(3,150)
Residential care expense	(92,514)	(85,489)
Interest Expenses	(12,332)	(23,107)
Total Operating Expenditure	(2,803,330)	(2,694,540)
Non Cash Expenditure		
Depreciation- Building and Fixed Equip	(126,964)	(362,013)
Depreciation- Furniture and Equip	(2,530)	(2,530)
Total Non Cash Expenditure	(129,494)	(364,543)
Operating Result	313,429	(23,538)
Assets		
Total Assets	11,279,555	11,079,760
Liabilities		
Total Liabilities	3,953,770	4,067,404
Net Assets	7,325,785	7,012,356
Equity		
Accumulated Surplus	7,012,356	6,806,289
Revaluation Surplus	0	229,605
Current Year Surplus	313,429	(23,538)
	7,325,785	7,012,356

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.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the City of Rockingham

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Rockingham which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Rockingham:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the City.

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position or the financial management practices of the City:
 - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past two years.
 - b. The Operating Surplus Ratio has been below the DLGSCI standard for the past three years.
The financial ratios are reported in Note 30 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

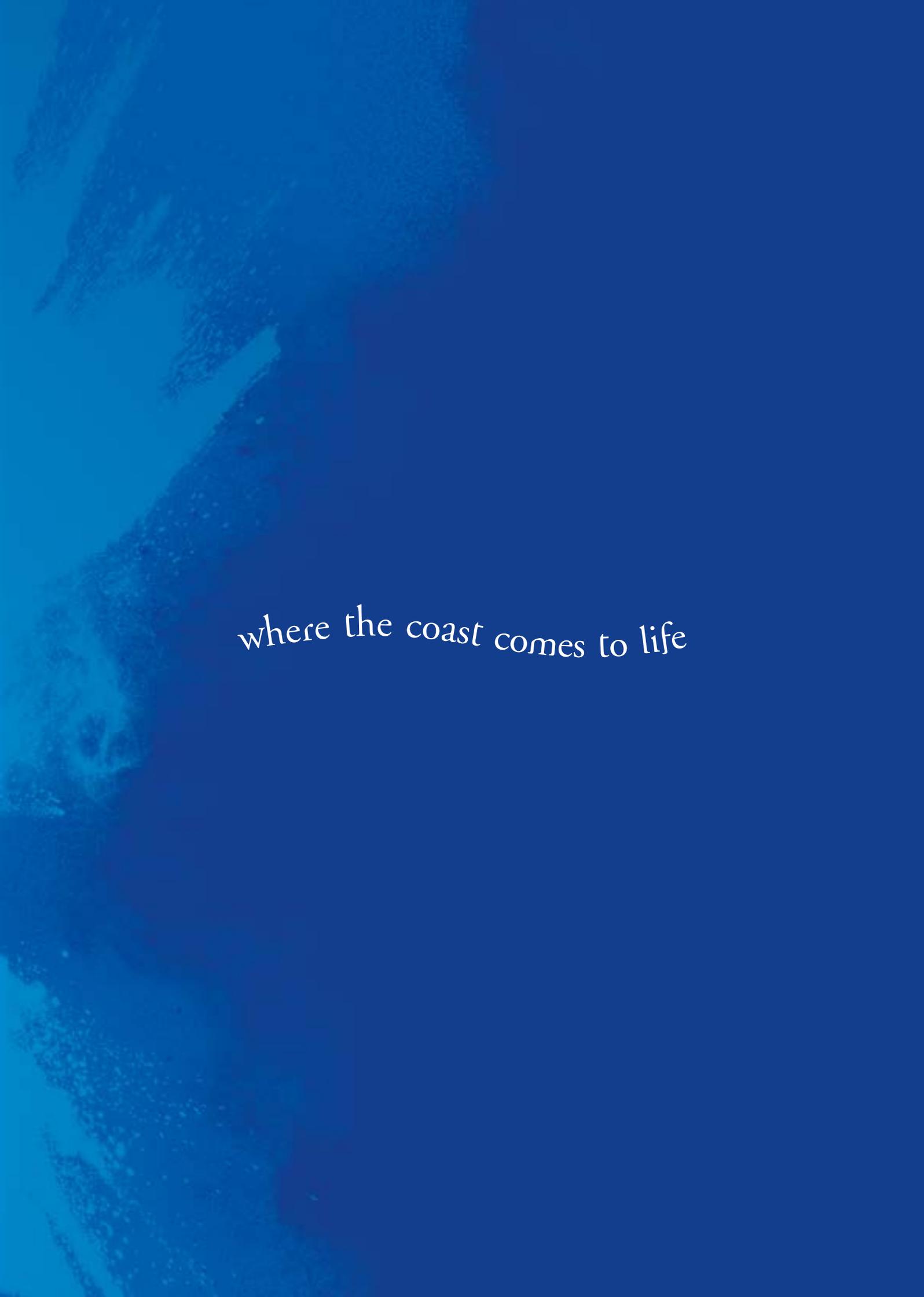
Other Matter

The financial report of the City for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 30 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Rockingham for the year ended 30 June 2018 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.


SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
68 November 2018



where the coast comes to life