

CITY OF ROCKINGHAM

Annual Report

2020/2021



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About Us

The City of Rockingham acknowledges the Traditional Owners and Custodians of this land, the Binjareb and Whadjuk Nyoongar peoples, and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to elders past and present.

The City of Rockingham, located approximately 40 km from the Perth CBD, is known as the place where the coast comes to life.

The City is neighboured by the City of Mandurah in the south, City of Kwinana in the north, and the Shire of Serpentine-Jarrahdale in the east.

The Nyoongar people inhabited the area for thousands of years before European settlers arrived in the 1800s. The area was coined "Rockingham" after the ship Rockingham ran aground off the region's coast in 1830 during stormy weather.

Families began farming in the region in the mid-1800s, with the Rockingham Road Board constituted in 1897.

In 1961 the area continued its growth by becoming the Shire of Rockingham, before attaining City status in 1988.

Today, the City of Rockingham is one of the fastest growing local governments in the south metropolitan area and is home to a population of around 140,000 people.

Our Values



Recognition



Empowerment



Ethics



Communication



Service



Teamwork



Professional
Development



Mayor's Report

Hello and welcome to the City of Rockingham's Annual Report for 2020/2021. This report details the progress made by the City in the past financial year against the actions that have been set out in the Strategic Community Plan 2019 – 2029.

2020/2021 Budget

In light of the economic issues caused by COVID-19, Council resolved that the 2020/2021 budget would not incorporate any increases to rates, fees and charges. While the City was required to amend both revenues and expenditure, it continued to deliver major projects and services to the community.

Despite Council's commitment to collect the same amount of rates as in 2019-2020, the State Government proceeded with the statutory revaluation of property values. Property valuations are adjusted by Landgate every three years and 2020/2021 was a revaluation year.

Statutory revaluations are beyond the City's control and as adjustments to property values are not uniform there were differences for individual properties. In light of this, Council provided a concession to ratepayers with property rated as GRV-Residential who would have paid more in rates during the 2020/2021 financial year due to the revaluation. These concessions cost the City approximately \$840,000.

Building for the Future

During 2020/2021, the City carried out work on a number of major projects.

Progress continued to be made on one of the City's largest ever infrastructure projects, the Baldivis District Sporting Complex (BDSC). Civil works for the BDSC were completed, a complex irrigation system was installed, turf was rolled out across the site, and works on the buildings commenced in June 2021.

The first stage of the project will deliver about eight hectares of open space, a district pavilion, 18 outdoor hardcourts, a nature playground, youth space and an indoor recreation centre. It is expected to be completed in mid-2022 and will provide tangible health and wellbeing benefits to the community for generations to come.

Upgrades to Koorana Reserve in Warnbro commenced in April 2021. Key elements of the project include two additional hectares of playing space, which will be able to provide an additional two soccer fields in winter and one cricket oval in summer, expansion of the cricket practice nets, upgrade of turf and reticulation of the existing playing surface, refurbishment and expansion of existing clubrooms, a new car park with 75 bays, and the installation of new sports floodlighting.

In May 2021 the City began work on the Shoalwater Reserve Activity Node, which is the first project in the City's Safety Bay Shoalwater Foreshore Master Plan. The Master Plan provides a vision for the foreshore over the next 20 – 30 years. The Activity Node will be completed in early 2021/2022.

Representing the Community

In 2020/2021, Council resolved to approve a change in the method of filling the office of the Mayor from election by Council to election by the electors.

As part of a Ward Boundary and Councillor Representation Review, Council also resolved to retain the current ward boundaries, with 11 councillors and the addition of the elector Mayor to represent the community (effective as of the October 2021 Local Government Elections).

Strategic Community Plan

The Strategic Community Plan (SCP) is the City's road map for the next decade and shows the actions and directions that need to be taken in order to meet the needs of our growing community.

Every two years the City conducts a minor review and in July 2020 the City commenced a review of the SCP. This minor review was informed by key internal stakeholders, community consultation and councillor engagement, and was approved by Council in October 2020.

Reconciliation

The City is committed to developing opportunities for Aboriginal people, to foster respect for Aboriginal culture and to build relationships that support reconciliation. During 2020/2021 significant steps were taken on this journey as the City formally launched its new Reconciliation Action Plan (RAP) 2021 – 2023.

The RAP was adopted first by Council in March 2021 before receiving formal endorsement from Reconciliation Australia. The City then launched the new RAP in the lead up to National Reconciliation Week.

The City's Aboriginal Advisory Group was crucial to the development of the RAP. I thank all members for their involvement in this process and the City looks forward to implementing the actions outlined in the plan over the coming years.

COVID-19

As all community members experienced in different ways, the evolving nature of COVID-19 can pose a number of challenges. Council is required to make sound, sensible decisions with the wider interests of the community in mind, and throughout the past year Council has strived to do just that. Throughout this report you will be able to read about some of the various strategies, projects, programs and initiatives that have been implemented, all in the face of the uncertainty posed by this rapidly changing pandemic.

In closing, I would like to take this opportunity to thank all Councillors for their efforts throughout 2020/2021. In addition, I also extend my thanks to all City of Rockingham staff for the diligent manner in which they provided outstanding service to the community.

Barry Sammels
City of Rockingham Mayor



CEO's Report

The 2020/2021 Annual Report covers a financial year marked by the delivery of several important strategies, exciting progress on community infrastructure projects and the continued collective effort of the City's response to COVID-19.

Strong Response to COVID-19 Continues

During 2020/2021 the City continued to deliver essential services to the community despite the ongoing issues caused by three COVID-19 snap lockdowns. With restrictions and health advice changing regularly, the City adapted where necessary to ensure it continued to service the community.




In August 2020, the results of the *MARKYT Community Resilience Scorecard* survey were released. This was a state-wide community resilience survey conducted by the Department of Local Government, Sport and Cultural Industries and Local Government Professionals WA, which looked at how the community was coping with the impacts of COVID-19.

It was particularly pleasing to see how the City's response to COVID-19 was received by the wider community. Feedback from residents placed the City's COVID-19 response in the good-to-excellent category with a score of 78 (compared to the state average of 68). The survey showed residents rated the City's leadership, decision making processes and trust levels well above the state average.

Advocating for a better community

Significant advocacy efforts are made by the City to both state and federal government stakeholders to ensure that our growing community receives adequate support and funding across a variety of areas. These strategic and targeted efforts are guided by the City's Advocacy Plan.

In July 2020 Council endorsed four themes for the Advocacy Plan:

-  Strategic Metropolitan Centre,
-  Transport,
-  Tourism and Economy,
-  Sport and Recreation.

A major highlight in 2020/2021 was the City's ability to secure \$20 million in funding from the State Government for two important community infrastructure projects, with \$10 million going towards the construction of the Baldivis Indoor

Recreation Centre and \$10 million going towards the Aqua Jetty Stage Two project.

A further \$5.8 million in grant funding from the Australian Government's Local Roads and Community Infrastructure (LRCI) program was provided to support the delivery of several priority road and community infrastructure projects, including the design and construction of a new seawall at Mersey Point in Shoalwater.

Projects

Exciting progress was made on the Baldivis District Sporting Complex (BDSC) during 2020/2021, with the built form of the project starting to take shape. This will be one of the largest community infrastructure projects the City has ever delivered and progress will continue over the next year.

The first project in delivering the City's Safety Bay Shoalwater Master Plan, the Shoalwater Reserve Activity Node, commenced in May 2021. The project works include installation of a new shared use path, construction of a new play activity area, resurfacing of the existing car park, installation of new picnic shelters and barbecue facilities, while a new beach access ramp will also be built. The activity node will be finished in early 2021/2022.

As a result of the major funding grant secured from the State Government for the Aqua Jetty Stage Two project, the City was also able to bring forward plans for the delivery of the project. The contract for detailed design on stage two of the Aqua Jetty was awarded in April 2021, and the finalisation of these designs will occur by the end of the next financial year.

The construction and opening of the new Rockingham Youth Centre was a major milestone achieved during the year. This new community facility gives young people aged 12 – 24 a place to connect and learn new skills in a safe and welcoming environment. Importantly, the delivery of this project was a key action in the City's Strategy for Children and Young People.

Growing a Stronger Economy and Boosting Tourism

The City is acutely aware of the importance of a vibrant local economy in developing the community, and the City has focused on delivering the key actions outlined in our Economic Development Strategy 2020 – 2025.

Attracting new investment to Rockingham is crucial to growing the local economy, and the launch of the City's new Investment Prospectus in early June 2021 was an important step in this process. The Investment Prospectus highlights the range of investment and development opportunities across the City, and attracting new businesses and industries to our region will have a positive flow-on effect across the wider business community.

The City's involvement in the Small Business Friendly Approvals Program, which is led by the Small Business Development Corporation, is one initiative that aims to streamline the process of obtaining development approvals, business licenses and trading permits for businesses. The City was one of the first local governments in WA to be involved in this process. Outcomes of the program will be considered in the year ahead.

Defence is a key sector that will form part of the region's growth in the years to come, with the Australian Government's massive investment in infrastructure at HMAS Stirling presenting local businesses with a wealth of opportunities to get into the Defence industry supply chain.

Throughout the year, the City hosted several Defence Ready workshops to help businesses learn more about how to obtain work in the sector. These efforts were then headlined by the City's first ever Defence Industry Forum, which focused on supporting businesses in this space. Further opportunities were then provided for community members looking to enhance their career prospects as the City hosted the Rockingham Jobs Fair.

From a tourism perspective, the City was thrilled to see a substantial increase in the number of day trippers making their way to our beautiful City. New data released in late 2020 from Tourism Research Australia showed domestic day trips to Rockingham had increased by 33% over the preceding year. This increase was a key success indicator in our Tourist Destination Strategy, with more than 1 million visits recorded.

While this increase can be attributed in part to various COVID-19 travel restrictions, the City's Rediscover Rockingham tourism campaign has played a vital role in promoting our City as a premium coastal

destination with a variety of attractions and aquatic adventures. Several tourism initiatives were launched throughout the year under the Rediscover Rockingham banner, including the popular trial of the Rediscover Rockingham tram service.

Recognition

Throughout 2020/2021, the City was recognised with several awards including:

Rockingham Beach Foreshore Revitalisation

- AILA WA Landscape Architecture Award of Excellence – Tourism.
- AILA WA Landscape Architecture Award of Excellence – Parks and Open Space.
- Parks and Leisure Australia 2020 Awards of Excellence, National Community Facility of the Year Award.
- Planning Institute of Australia WA Commendation – Healthy Active by Design.

City's Road Safety Action Plan

- *Excellence in Road Safety Projects* award at the Institute of Public Works Engineering Australasia (IPWEA) WA state conference in March 2021.
- *Local Government Programs Award* - At the Australian Road Safety Foundation's 10th Annual Australian Road Safety Awards.

The City also won the *Shelter WA Housing and Homelessness Awards 2020* – Local Government Category and continued to maintain its status as a Gold Waterwise Council in 2020/2021.

Acknowledgments

I would like to acknowledge the audit report received by the City which reflects favourably on the great work of the Finance team. I would also like to thank the City's Executive and all City of Rockingham employees for their efforts and professionalism during another busy year. I look forward to working closely with Council and staff as we continue to deliver the highest levels of service to our community.

Michael Parker
City of Rockingham CEO



Strategic Community Plan 2019 - 2029

Local governments are required to conduct a full review of their Strategic Community Plan every four years, as outlined in the Local Government Act 1995.

In 2018 the City of Rockingham hosted a number of “Planning for the Future” workshops as well as conducting surveys to get feedback from residents regarding their aspirations and vision for the City over the next 10 – 20 years.

The participants analysed the progress made by the City on its previous Strategic Community Plan, and used this as a basis for developing a new set of aspirations. City staff did not get involved in these discussions and the outcomes were driven entirely by the community.

Suggestions developed by residents in the workshops and surveys were later taken to a workshop with the City's Councillors, where priority areas for further development were identified.

A representative from each workshop attended this session to ensure the views from the residents were represented.

This engagement process later resulted in the development of the City's draft Community Vision, Aspirations and Strategic Objectives.

Following a month-long public consultation period, the draft was approved by Council in September 2018.

The Strategic Community Plan 2019 – 2029 officially became a live document underpinning all of the City's actions from 1 January 2019.

Every two years the City conducts a minor review and in July 2020 the City commenced a review of the Strategic Community Plan.

This minor review was informed by key internal stakeholders, community consultation and Councillor engagement, and was later approved by Council in October 2020.

Our Aspirations



Aspiration one:

Actively pursue tourism and economic development

- Coastal destination
- Investment attraction
- Marketing and promotion
- Attractions and events
- Infrastructure investment – local, regional and state
- Business development
- MICE (meetings, incentives, conferences and events)



Aspiration three:

Plan for future generations

- Infrastructure planning
- Responsive planning and control of land use
- Climate change adaptation
- Sustainable waste solutions
- Alternative energy applications
- Preservation and management of bushland and coastal reserves
- Liveable suburbs



Aspiration two:

Grow and nurture community connectedness and wellbeing

- Youth development and involvement
- Accessibility
- Aboriginal heritage and inclusion
- Community engagement
- Community capacity building
- Community safety and support
- Services and facilities



Aspiration four:

Deliver quality leadership and business expertise

- Effective governance
- Revenue sources
- Leadership in sustainability
- Strategic and sustainable financial planning
- Management of current assets
- Benchmarking and optimising performance
- Key stakeholder partnerships

Our Community's Vision for the Future

During the creation of the Strategic Community Plan, Council and the community developed a vision to guide the City into the future.



Be home to a welcoming and inclusive community that understands, represents and preserves its unique sense of purpose and place.



Prosper from investment that generates employment opportunities created by a diverse and robust economic base including retail, services, tourism, education, defence, horticulture and light and heavy industrial activities.



Be recognised and admired as a contemporary and vibrant destination, renowned for its natural beauty and world class coastal and marine environments.



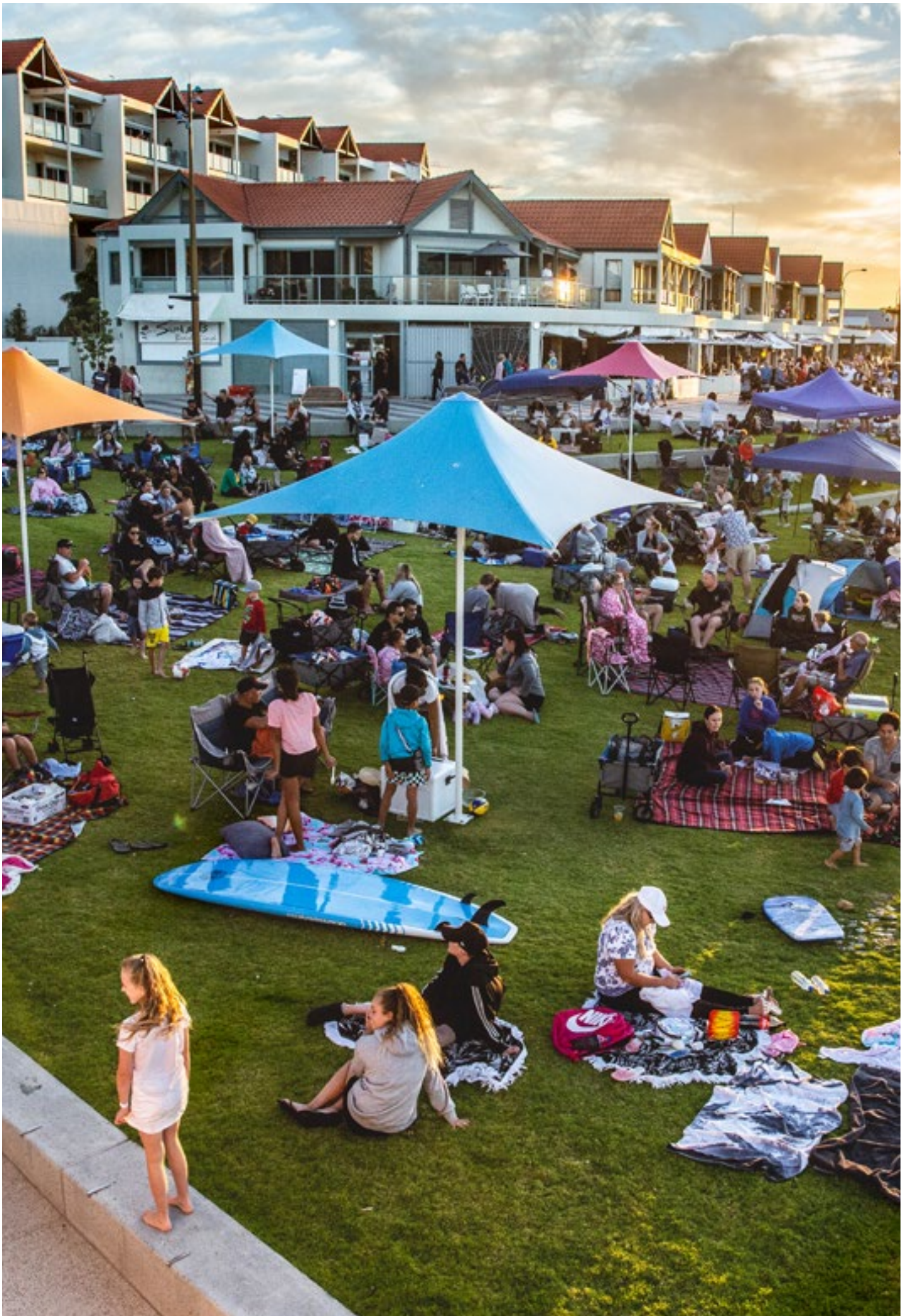
Continue to reduce our carbon footprint and the generation of waste.



Offer a safe, relaxed and friendly tourism lifestyle, underpinned by a diverse range of community facilities, services and cultural activities all linked with a first class public transport system.



Manage and use our land and marine environments in a manner that preserves them and recognises that the climate is changing.



Performance Highlights Against Strategic Community Plan



In 2020/2021 the City continued to deliver on the objectives outlined in the Strategic Community Plan 2019 – 2029. A number of strategies and plans were implemented to deliver on each aspiration.

The following items are a snapshot of the accomplishments achieved in these particular areas.

01

Actively Pursue
Tourism and
Economic
Development

02

Grow and Nurture
Community
Connectedness and
Wellbeing

03

Plan for
Future
Generations

04

Deliver Quality
Leadership and
Business Expertise

Actively Pursue Tourism and Economic Development



In July 2020 the City launched its *Shop Local, Buy Local* campaign. The campaign was launched in response to the impact COVID-19 lockdowns and restrictions had on the local business community, with the City encouraging residents to spend their money locally. Research from the National Institute of Economic and Industry Research found that for every \$100 spent locally in retail, \$63.39 was effectively retained in the local economy.



In partnership with the South West Group, the City welcomed members from the Asia Business Council Western Australia to Rockingham in October 2020 to explore economic development opportunities. Visiting delegates were given a briefing on the infrastructure investment occurring at HMAS Stirling, the tourism and hospitality opportunities in the City's Waterfront Precinct, as well as development in the City's Smart Village Precinct and the Rockingham Industry Zone.



Council resolved to support the Rockingham Beach Cup 2020 by providing \$175,000 in *Iconic Event Sponsorship* to the event organisers, Palm Beach Rotary Club to deliver the event. While the event was later cancelled due to COVID-19, Council held the view that the event aligned with the City's Tourist Destination Strategy and its new Economic Development Strategy.



New data released in late 2020 by Tourism Research Australia highlighted how Rockingham's popularity as a tourism destination was on the rise, with domestic day trips to the City increasing by an unprecedented 33% over the previous (2019/2020) financial year. With COVID-19 halting interstate and international travel for significant periods, sandgropers took the opportunity to rediscover Rockingham with domestic day trips increasing from 774,739 in 2018/2019, to 1,027,542 in 2019/2020. The increase in visitor numbers was one of the City's Tourist Destination Strategy's key success indicators.



Throughout the year the City launched several seasonal *Rediscover Rockingham* destination tourism campaigns, including *Rediscover Adventure* in spring 2020, *Rediscover Summer Holidays in Rockingham* in December 2020, and *Rediscover Relaxation* in February 2021. These campaigns utilised a variety of platforms to attract visitors to Rockingham, with the *Rediscover Summer Holidays in Rockingham* campaign featuring as part of Channel 9's Destination WA TV series.



The pursuit of tourism and economic development in the City of Rockingham is guided by the Economic Development Strategy 2020 – 2025 and the Tourist Destination Strategy 2019 – 2024.



In light of the Australian Government's upgrades to infrastructure and the capability of HMAS Stirling naval base, the City hosted a number of 'Defence Ready Workshops' focused on helping local small-to-medium enterprises (SMEs) learn more about growing their business in the Defence industry supply chain. These free workshops were delivered throughout February and March 2021, and outlined how businesses could prepare and tender for work.

In February 2021 the City launched its new *Rediscover Rockingham* Tram Service. The free hop-on, hop-off Sunday tram service ran until the April 2021 school holidays and shuttled passengers on a loop around Rockingham's key coastal sights. The highly visible, single carriage replica tram travelled an 18.2 km route, stopping at Rockingham Museum, Rockingham Foreshore, Point Peron and the Penguin Island ferry terminal at Mersey Point. Passengers were able to enjoy the round trip or use the service as a courtesy shuttle to stunning beaches, historic attractions and aquatic wildlife encounters.

The City hosted its first ever Defence Industry Forum in April 2021. This event provided further information to local SMEs on obtaining work in Defence and was attended by several high-profile guests including Federal Minister for Defence Industry, Melissa Price. Forum attendees also heard from Minister for Small Business, Reece Whitby, (representing the State Minister for Defence Industry, Paul Papalia) Royal Australian Navy Rear Admiral Wendy Malcolm, as well as representatives from Defence West, the Centre for Defence Industry Capability and important Defence industry contractors including Thales, Lendlease and Ventia.

Collaborating with Tourism WA to jointly present the Deep Dive Workshop was a highlight in June 2021. This workshop provided insight into the creation of Western Australia's new shared tourism story *The Spirit of Adventure*. Businesses were able to learn more about the new tourism story, before an interactive workshop gave local tourism and hospitality businesses the chance to shape the State's tourism brand with their own unique story for Rockingham.

The City's new Investment Prospectus, which provides a snapshot to potential investors of a range of investment and development opportunities across the City, was launched in June 2021. It highlights Rockingham's status as a Strategic Metropolitan Centre, focusing on key areas including the Smart Village Sector, Waterfront Village and the City Centre, and development opportunities along the Rockingham City Centre Transit route. It also focuses on the ongoing opportunities arising in Defence. The City's major infrastructure projects, emerging industries and key tourism, retail, commercial and industrial opportunities are also featured.

The delivery of the Rockingham Jobs Fair at the Gary Holland Community Centre was a highlight for the City in June 2021. This event was open to community members of all ages and showcased opportunities across job sectors including Defence, building and construction, mining, healthcare, transport/logistics and education. The event featured more than 50 stallholders and over 400 people were in attendance.

Grow and Nurture Community Connectedness and Wellbeing



The 2020/2021 financial year marked a decade of the City's Community Grants Program (CGP). The CGP provides financial assistance to community groups and individuals that build capacity within the community, stimulate volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits. During 2020/2021, the CGP supported 66 community groups with more than \$131,000 in general grants issued. \$115,538 in Major Grants and \$96,406 in Major Event Sponsorship was also provided to applicants.



In late 2020 the City was formally recognised for its efforts in addressing the issue of homelessness, taking out the Local Government category at the Shelter WA Housing and Homelessness Awards. Shelter WA is the independent peak body that advocates for social and affordable housing and ending homelessness in Western Australia. The City was successful in winning the Shelter WA Local Government Award for its work through the Rockingham Kwinana Homelessness Interagency Group, as well as its commitment to funding an assertive outreach program and partnering with community groups to reach those experiencing homelessness.



During 2020/2021 the City engaged in community consultation during the process of developing a new Disability Access and Inclusion Plan (DAIP). The DAIP is a legislative requirement under the *Western Australian Disability Services Act 1993*. It outlines the actions the City will implement over the next five years to ensure the City is an accessible and inclusive place to live and that people with disability and their families can participate in community life. Community members were given the opportunity to have their say on what should be included in the new DAIP, when the City hosted community workshops in August 2020, as well as running an online survey.



The City encouraged the community to help shape its Community Safety and Support Services Strategy 2021 – 2026, by participating in an online survey. This strategy will outline the City's strategic focus to support its residents and visitors to feel safe and secure at home, outdoors and within the community. With the community's input, the City will look forward to developing more community safety and support programs, events and activities over the coming years.

Developing a vibrant, inclusive and welcoming community is a key focus for the City. By implementing a range of community programs and services, the City continued to grow and nurture community connectedness and wellbeing in 2020/2021.





Despite the challenges posed by COVID-19 restrictions, the City continued to deliver a number of its popular community events including the Castaways Sculpture Awards, Art Awards, annual Christmas Festival, Australia Day celebration, Symphony on the Green musical spectacular and its International Food Festival as part of Harmony Week. A number of minor events were also held regularly including public art tours, Soulful Sundays, Community Fun Days and multiple tai chi and yoga events throughout summer and early autumn.

The new Rockingham Youth Centre was officially opened in March 2021. A first of its kind in the City, the Youth Centre is located on MacKinnon Street in Rockingham and has been built to provide young people with a place where they can connect and learn new skills in a safe and welcoming environment. The centre was identified through the City's Strategy for Children and Young People 2018 – 2023 as something that could provide young people with a wealth of new opportunities. The City worked closely with its Youth Reference Group and local schools throughout the project to ensure it reflected the needs of young people.

The City's new Reconciliation Action Plan (RAP) 2021 – 2023 was officially endorsed and launched during 2020/2021. It was first approved by Council, before being formally endorsed by Reconciliation Australia and then launched in the lead up to National Reconciliation Week 2021. It is the City's third RAP and encourages the City to look at the systematic changes it can make across the organisation to positively impact the way it works with the local Aboriginal community.

Its key focus is to foster strong relationships, respect for culture and the development of opportunities that can create meaningful change with local Aboriginal and Torres Strait Islander people. Actions outlined in the RAP include building relationships and respect through celebrating National Reconciliation Week and NAIDOC Week, increasing Aboriginal and Torres Strait Islander recruitment, and exploring opportunities to support and develop Aboriginal tourism operator/s in Rockingham.

In June 2021 the City signed a contract with St Patrick's Community Support Centre to deliver an assertive outreach service that will provide support to people experiencing homelessness in the community. The delivery of a new assertive outreach service will be crucial to assisting the most vulnerable members of the community, with homelessness identified in the City's Community Support Services Strategy as a key focus area.

Plan for Future Generations



Progress on one of the City's largest ever community infrastructure projects, the Baldivis District Sporting Complex, rapidly gathered pace during 2020/2021. Construction of the buildings and landscaping commenced, with works featured in this part of the project including the construction of a district pavilion, change rooms, maintenance shed, car parking and the Baldivis Indoor Recreation Centre. Site civil works were completed earlier in the year, with approximately eight hectares of turf rolled out on all ovals along with the installation of a complex irrigation system.



In July 2020 Council approved a complete revision of the City's longstanding Rural Land Strategy (RLS). It specifically guides assessments of proposals to rezone, subdivide and develop rural land. Given one third of the City consists of rural areas, the RLS will have a significant role to play in planning and development across the community for many years to come.



Major refurbishments were completed at the City's flagship aquatic and leisure facility, the Aqua Jetty. The 50 m outdoor swimming pool was the first to be finished, with local swimming champion Holly Barratt taking the first swim. Following this, a refurbishment of the 25 m indoor heated pool was completed.



The City began the process of reviewing the Rockingham Strategic Metropolitan Centre Planning Framework. The review provides an opportunity to improve elements of the 2009 Centre Plan to make it better reflect the views and aspirations of today's community and to align with the current state planning framework.



The City continued its efforts to create a more environmentally friendly and sustainable community, by offsetting nearly 3,400 tonnes of carbon dioxide emitted by its fleet. Through a federal government accredited carbon offset program, the City's offset will see approximately 21 hectares of land in the Yarra Yarra biodiversity corridor (in the Wheatbelt) be covered with trees and shrubs, which will counter the carbon dioxide emitted by the City's fleet.



In an evolving and drying climate, the City continues to look at the ways in which it can reduce water consumption through its Water Efficiency Plan. In recognition of the City's efforts in this space, it was recognised once again by Water Corporation as a Gold Waterwise Council.

As one of the fastest growing local governments in Western Australia, the City is committed to ensuring robust plans are in place to cater for the residents of tomorrow who will call Rockingham home.





Incorporating new sustainable waste solutions is a key element of the Strategic Community Plan, and in September 2020 the City began its *Compost at Home* waste trial initiative. A total of 400 residents took part in the innovative project, which gave community members the opportunity to create a greener home and reduce the amount of waste they produce by utilising composting. Information gathered from participants in the trial will be used to guide the City's future waste initiatives.

The City is responsible for more than 460 individual parcels of public open space. Further public open space is also added regularly to the City in new emerging suburbs thanks to the land development process. The Public Open Space Strategy that was adopted by Council in 2020/2021 will guide the planning, development and management of this space within the City, ensuring it best meets the needs of the community while balancing competing demands for space.

Central to all of the City's community infrastructure projects is the Community Infrastructure Plan (CIP). The CIP is an integral planning document for the City that guides the development, timing, design and location of community infrastructure over the next 10 - 15 years. It identifies the services and facilities that are required for the City's growing population, and is reviewed annually by Council. In September 2020 the CIP was adopted by Council.

In October 2020 the City completed construction on the new Cooloongup Skate Park project at Alf Powell Reserve. The skate park replaced the original one located on the same site and provides more space and a variety of options for users and is able to accommodate skateboard, BMX and scooter riders of all ages and skill levels.

Seahaven Reserve Dog Park, the third to be delivered by the City, was opened to the public for the first time in December 2020. The park covers approximately 5,000 m², including a dedicated area of 2,000 m² for small dogs, and now provides dog owners in Waikiki and surrounding areas with the opportunity to exercise their pets in a safe environment.

Every year the City provides a report on the progress it has made in a number of key areas as it works toward a more sustainable future. This report is known as the Sustainability Snapshot. The Sustainability Snapshot captures data from six key focus areas across the organisation including water, waste and recycling, energy and emissions, nature and environment, environmental education and engagement, and climate response.

Highlights include a continued reduction in community water use, the launch of the *Compost at Home* waste trial initiative and the planting of 27,000 seedlings across reserves and parks as part of the City's Greening Plan and Sustainability Strategy. Solar panels on the City's top 10 energy using facilities produced more than 1 million kilowatt-hours of energy, while the City also joined the 'CoastSnap' initiative as a way to allow beachgoers to provide valuable information on how the City's coastline changes over time.

Work on the Koorana Reserve Master Plan began in April 2021. Upgrades include two additional hectares of playing space for soccer in winter and cricket in summer, expansion of the cricket practice nets, upgrade of turf and reticulation of the existing playing surface, refurbishment and expansion of existing clubrooms, a new car park with 75 bays, and the installation of new sports floodlighting.

The Safety Bay Shoalwater Master Plan provides a vision for the area over the next 20 – 30 years, and in May 2021 the City commenced work on the first part of this with the Shoalwater Reserve Activity Node getting underway. Expected to be completed in early 2021/2022, the project will enhance the foreshore experience for the local and wider community.

Council resolved in June 2021 to award a tender for the replacement and extension of the existing limestone seawall at Mersey Point in Shoalwater by a new granite seawall. To commence next financial year in August 2021, the project will involve the replacement of the existing limestone seawall and timber beach stairs with a new 325 m granite seawall and beach stairs located near Mersey Road. This seawall will protect City infrastructure at Mersey Point.

Deliver Quality Leadership and Business Expertise

In light of the economic uncertainty caused by COVID-19, there were no increases to rates, fees and charges in the 2020/2021 budget.



As a growing Strategic Metropolitan Centre, the City is experiencing substantial change in both population and economic activity. This change brings with it a range of complex issues that impact the community including job creation, planning and construction, protecting heritage, sustainability, parking, traffic, sustainable transport, affordable housing and adequate community and government services.



In July 2020 Council adopted the *Council Policy Recording and Streaming Council Meetings*. The adoption of this policy will result in Council meetings being livestreamed and made available for viewing at a later date. While plans were implemented during 2020/2021 for the appropriate technology to be put in place to enable livestreaming, the City recorded the audio of its Council meetings.



To help address the challenges these changes will bring in the years ahead, the City has established an Advocacy Plan that will guide how the City engages with state and federal government agencies. This plan, which was endorsed by Council in 2020/2021, will guide how the City seeks to obtain support to create jobs and deliver vital services and infrastructure. As referenced in the CEO's Report, the City's advocacy efforts have already secured millions in funding for important infrastructure projects such as the Baldivis District Sporting Complex and stage two of the Aqua Jetty.



The method of filling the office of the Mayor was changed by Council in 2020/2021. Previously the Mayor's position had been filled by a vote from Council. Going forward, the Mayor will be elected by the community. These changes will come into effect during 2021/2022 at the next Local Government Elections.

The City is focused on delivering quality leadership and business expertise through the execution of robust governance frameworks, astute financial management, open engagement with the community, optimising performance and efficiencies, and proactive advocacy to key stakeholders.





During 2020/2021 staff from the City's Engineering team were asked to provide input into the development of the National Road Safety Strategy 2021 – 2030. The National Road Safety Strategy aims to elevate Australia's road safety ambitions and is guided by the vision that no person should be killed or seriously injured on Australia's roads. As part of the process, local government representatives from metropolitan and rural areas in each state and territory were given the opportunity to shape the draft strategy. City staff were nominated by WALGA to provide their expertise to help develop the strategy.

The City's Corporate Volunteering Program (CVP), which is a key part of the City's Volunteering Strategy 2016 – 2022, delivered support to the community in 2020/2021. Native Plants WA benefited from the CVP, with 16 staff assisting the not-for-profit organisation in November 2020.

As a community with close ties to Defence through its proximity to HMAS Stirling, the City was proud to be formally recognised for its support and friendship of Navy veterans. Naval Association of Australia (Western Australia Section) State President, Ian Holthouse and Rockingham Sub Section Vice President, Malcolm Hughes presented Mayor Barry Sammels with a certificate of appreciation and a plaque in acknowledgment of the City's long term support in late 2020.

Providing opportunities for young people to demonstrate and improve their leadership skills is an important goal for the City, and in 2020/2021 the City's Junior Council program continued. The program has been delivered since the late 1980s, and gives students from a variety of local primary schools and young people from alternative education settings the opportunity to gain valuable leadership skills and knowledge of local government. In December 2020 a Junior Council Graduation ceremony was held for the 65 students participating.

The City became one of the first local governments in WA to be selected to participate in the Small Business Friendly Approvals Program.

The program, led by the Small Business Development Corporation (SBDC), aims to streamline the process of obtaining business licences and trading permits from local government authorities. It is part of a package of initiatives to accelerate regulatory reform to support economic recovery from the impact of the COVID-19 pandemic. The City engaged with the SBDC and local businesses during this process, with outcomes to be revealed in 2021/2022.

More than \$5.8 million was secured from the Australian Government's Local Roads and Community Infrastructure (LRCI) Program to help deliver a variety of projects across the community.

The little penguin is iconic to the City of Rockingham and holds significance to the community from both an environmental and tourism perspective. Since 2012, the City has provided funding to Murdoch University to carry out research into the little penguin population that lives on Penguin Island. The latest results in the *2020 Little Penguin Monitoring Report* found the population had decreased by approximately 80 per cent since 2007. With the island being under the care and control of the State Government, Council in April 2021 officially endorsed the position that conservation of the little penguin colony requires additional resources from the State, including a specific management plan and the formation of a dedicated working group to govern the matter.

In May 2021 Council resolved to approve the establishment of a new Environmental Advisory Committee. The committee will provide strategic, non-operational input into the development of Community Plan strategies, policies, City-led development projects and other issues that relate to environmental matters which are not addressed in the terms of reference of existing advisory groups. Comprising elected members, community members and industry experts, the committee will be established after the 2021 Local Government Elections.

Despite the impact posed by COVID-19 restrictions, the City continued to carry out civic duties with citizenship conferred on more than 1,000 new Australians. The City's largest ceremony is held on Australia Day each year.

COVID-19

During 2020/2021 the City of Rockingham continued to deal with the evolving impacts of the COVID-19 pandemic.

Throughout the year, the City dealt with three snap lockdowns initiated by the State Government in February, April and June 2021. During each lockdown the City's essential services continued with bin collection days remaining the same.

However, all City facilities were required to close including the Aquatic Centre, Aqua Jetty, libraries, Autumn Centre, recreation centres and the Rockingham Youth Centre. During these lockdowns the City's outdoor facilities such as playgrounds, skate parks and dog parks were also closed. As a result of the relevant COVID-19 restrictions implemented by the State, the City was also required to limit the number of people permitted into the Council Chambers during several Council meetings throughout 2020/2021.

The City's COVID-19 Local Recovery Coordination Group (LRCG) continued to focus on supporting the community recovery from the impact of COVID-19, along with its two subcommittees:



COVID-19 Economic Wellbeing Subcommittee.



COVID-19 Social Wellbeing Subcommittee.

Committee membership included representation from a broad range of community stakeholders including business, industry, tourism, seniors, disability and not-for-profit service providers, to name a few.

The LRCG initially focused on assessing the impact of COVID-19, communication, sharing information and local initiatives to aid recovery. Once the WA Recovery Plan (the Plan) was released by the State, the group's focus turned to identifying what initiatives had been approved, authorised or were available to people in the City of Rockingham.

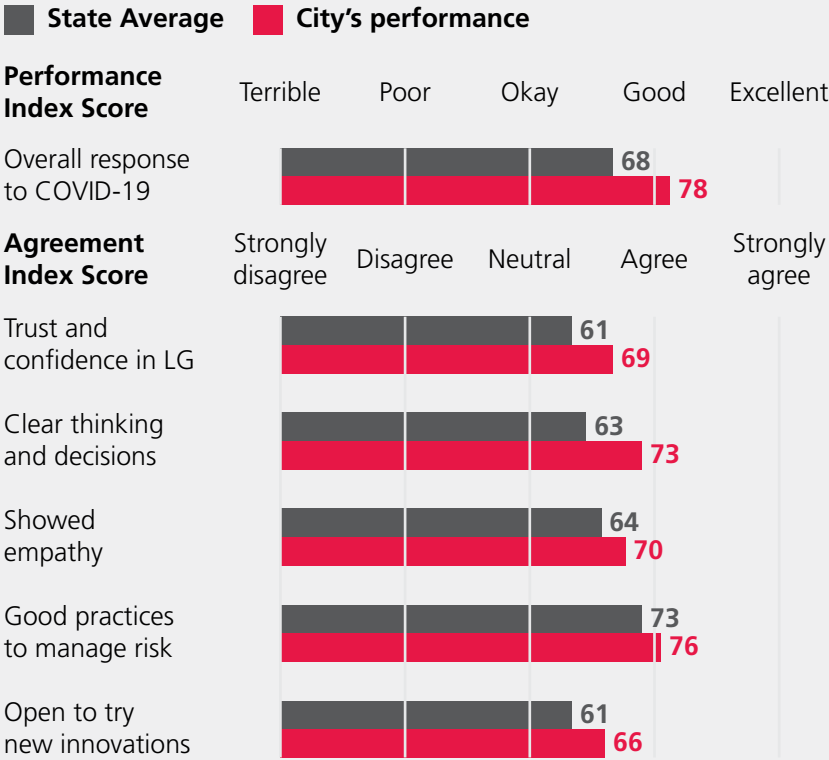
Then, using the 21 priority areas recognised in the Plan, the committees undertook the process of identifying additional initiatives to support recovery in the City. Proposals were formulated as a result of this work and the Chair of LRCG then corresponded with the Premier providing a full list of additional initiatives that could enhance recovery. Many of the initiatives recommended by the LRCG to the Government have been funded and are underway.

As outlined earlier in the Mayor's Report, the budget adopted by Council for the 2020/2021 financial year did not incorporate any increases to rates, fees and charges. Council also provided concessions to ratepayers with property rated as GRV-Residential who would have been impacted by Landgate's statutory revaluation of properties. These concessions cost the City approximately \$840,000 and were delivered with the intention of assisting the community through uncertain economic times.



Outcomes from the *MARKYT Community Resilience Scorecard* survey, which were released in August 2020, indicated widespread community satisfaction with the City's response to COVID-19. This state-wide community resilience survey was conducted by the Department of Local Government, Sport and Cultural Industries and Local Government Professionals WA. It specifically looked at how the community was coping with the impacts of COVID-19. Feedback from residents placed the City's COVID-19 response in the good-to-excellent category with a score of 78 (compared to the state average of 68). The survey showed the community rated the City's leadership, decision making processes and trust levels clearly above the state average. Key performance indicators are featured here:

LG performance in response to COVID-19

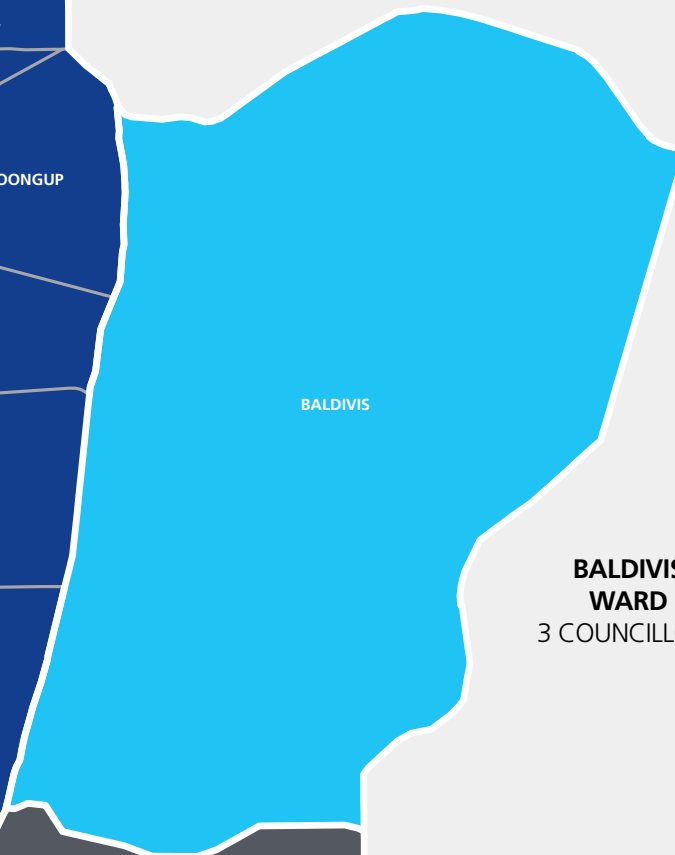


Our Council

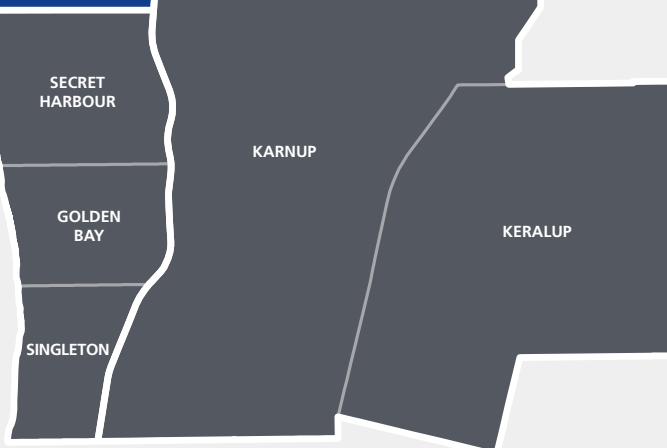
**ROCKINGHAM /
SAFETY BAY WARD**
6 COUNCILLORS



**BALDIVIS
WARD**
3 COUNCILLORS



**COMET BAY
WARD**
2 COUNCILLORS



LEGEND



Rockingham / Safety Bay Ward



Baldivis Ward



Comet Bay Ward



Suburb Boundaries

The City of Rockingham comprises three wards, represented by 11 councillors and a Council-elected Mayor and Deputy Mayor.



Rockingham / Safety Bay Ward

Councillor Profiles



MAYOR BARRY SAMMELS

Phone: 9592 2344

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

Barry has been a City of Rockingham Councillor for 24 continuous years, including 18 as Mayor.

Having been a local business owner for many years, and a local resident since the early 1980's, Barry understands the needs of this community. He has seen it grow from a small shire on the edge of the metropolitan area to become a thriving Strategic Metropolitan Centre.

Throughout his time on Council he has been passionate about developing the local community and helping people with issues that local government is best placed to address – the things that have a direct and immediate impact on the quality of life experienced by people in their daily lives in their communities.

Barry's contribution to the local community was recognised with the Long and Loyal Service Award at the Local Government Honours Awards in 2010 and an Eminent Service Award in 2020.

He chairs various committees which focus on strategy, community safety and major projects in the area, and is committed to building strong partnerships with state and federal government.

Throughout 2021/2021 he continued to pursue his mission of working in partnership with the people of Rockingham to create a leading City with a vibrant community and relaxed coastal lifestyle.



DEPUTY MAYOR DEB HAMBLIN

Phone: 0404 895 046

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

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. Deb is a Commissioner on the Western Australian Grants Commission, a board member on the Cockburn Sound Management 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 JOY STEWART

Phone: 9592 4948, 0421 021 711
Email: cr.stewart@rockingham.wa.gov.au

Joy has always been an active member of the community, being involved with many different organisations and sporting groups over 48 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, and soon became the first person in Australia to receive a Diploma in Local Government. In 2020 Joy received WALGA's Long and Loyal Service Award.

Joy will be forever grateful for the people of the Rockingham Ward and more recently the Rockingham/Safety Bay Ward for having the confidence in her for continually voting her in as one of their Councillors.

Joy is appreciative of the support and collaboration of many of her past and present fellow Councillors, for the professionalism, dedication and support of the City staff, and the friendships she has developed across this fantastic community. She looks forward to the City continuing to prosper for future generations.



CR RAE COTTAM

Phone: 0455 190 138
Email: cr.cottam@rockingham.wa.gov.au

My name is Rae and I am your local 35yo home grown Councillor born in Cooloongup, place of the children, I love fishing and spending time at the beach or out bush.

I am a Wangkatha woman and have lived in Rockingham all my life attending East Waikiki PS and Rockingham SHS.

One of my earliest memories is teaching a local homeless man to read and write when I was only four. Since then I have taught locally through Youth Programs, Adult Education, Parenting Programs and even the City's Intergenerational Award Winning 'Gone Fishing' Program.

I have been nurturing and growing my political and leadership skills with OXFAM's Straight Talk Program whilst listening to locals for a long time now. My dream since year 7 in 1998 was to see the Aboriginal Flag and Torres Strait Islander Flags flying every day at Council. Now in 2020 it is a reality. I am absolutely honoured to be elected as your voice at the table and to be working with Councillors who are ready for change and history in the making.

I am the youngest female to be elected at the Council and only Aboriginal Person to be elected. I am deeply invested in community and sustainable development. I would like to thank my constituents and look forward to working with and hearing from you over the next two years.

Rockingham / Safety Bay Ward

Councillor Profiles



CR LEIGH LILEY

Phone: 9593 8362

Email: cr.liley@rockingham.wa.gov.au

Rockingham has been Leigh's home for 50 years. Leigh is very aware of social and economic challenges our families face, and brings understanding and compassion to her role as a Rockingham Safety Bay Ward Councillor. 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 is foremost in Leigh's thinking.

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; SWCDEF Inc. Management Committee; Audit Committee, Behavioural Complaints Committee and Community Grants Program, Leigh has advocated on the 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 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.



CR CRAIG BUCHANAN

Phone: 0427 931 745

Email: cr.buchanan@rockingham.wa.gov.au

Originally from Scotland, Craig emigrated to Australia in 2003, and moved to Rockingham in 2012.

He has enjoyed gainful employment as (in no particular order), a civil servant, a Naval reservist, a barman, a bouncer, a university accommodation manager, a political speechwriter, and once, for the space of 36 hours in the middle of a particularly harsh winter, a burglar-alarm salesman on the streets of Dundee.

Now 49, he is married to Claire, a local teacher. With the kids having flown the coop, his home life is now governed by cats (indoor, de-sexed, and fully registered, thank you very much for asking). The cats effectively own the house; Craig and Claire just pay the bills. An avid reader, Craig is a regular book reviewer for The Big Issue Australia and ArtsHub, and an occasional columnist for The Spectator, and New Matilda, amongst others. A fan of the benefits of lifelong education, he graduated with a PhD from UWA in 2019.

Craig sits on the City's Corporate and Community Development Committee, and it's Community Grants Program Committee. He chairs the City's Australia Day Awards Selection Panel, and sits on the Cultural Developments and Arts Advisory Committee. Until recently, he also sat as the Council's representative on the State Government's Cape Peron Planning Investigation Area Working Group.

Comet Bay Ward

Councillor Profiles



CR MARK JONES

Phone: 0410 844 880

Email: cr.jones@rockingham.wa.gov.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 15 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 and his family regularly enjoy our spectacular beaches and parks and he has been actively involved with many sporting organisations and community groups. He has also enjoyed working as a town planner for over 25 years in private practice and in local and state government.

Mark 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, Chairperson of Peron Naturaliste Partnership (a group with nine local governments from Rockingham to Busselton), WA representative on the Australian Coastal Councils Association Committee, Chairperson of the Planning and Engineering Services Committee, Chairperson of the Disability Access and Inclusion Advisory Committee, member of the City Safe Advisory Community, member of the Rockingham Lakes Regional Park Community Advisory Committee and a delegate on the South Metropolitan Zone of the WA Local Government Association.



CR LORNA BUCHAN

Phone: 0420 596 453

Email: cr.buchan@rockingham.wa.gov.au

Lorna lives with her husband and four children in Secret Harbour. She is a Chartered Accountant and is working towards a Diploma in Local Government, due to be completed in August 2021. She is a member the Planning and Engineering, Governance, Audit, and Coastal Facilities Committees.

Joining Council in October 2019 Lorna is keen to bring her skills and expertise in finance to the table with good financial management and effective and efficient spending top of her agenda. Lorna feels the financial pressures experienced by struggling families and is keen to see budgets set at an affordable level.

Lorna is community minded and is assisting many groups in the City with advancing their goals and objectives. Her top priorities are encouraging jobs and economic development opportunities, community involvement and participation in decision making and ensuring that vulnerable and disadvantaged groups are supported. Personally, she is passionate about making Rockingham a tourist destination and would like to advocate for eco-tourism at Cape Peron with a visitors' centre, walking trails, cycle ways and attracting a tourist caravan park to the area.

Baldivis Ward

Councillor Profiles



CR MATTHEW WHITFIELD

Cr Matthew Whitfield resigned from Council on 31 March 2021.

Council received approval from the Western Australian Electoral Commission for the vacancy to remain unfilled until the ordinary elections in October 2021.

Cr Whitfield was elected at the 2013 ordinary elections. His service to the community over a seven and a half year period is acknowledged.



CR HAYLEY EDWARDS

Phone: 0427 719 528

Email: cr.edwards@rockingham.wa.gov.au

Business owner, mother, advocate for mental health with a professional background as a Qualified Paramedic, additionally an ALS Medic in the Airforce.

Carrying out an interest in making our local community a better one to live, work and visit, I was elected as Councillor in October 2019, Baldivis Ward.

Over the past two years I have been lucky enough to be involved in many community grass roots initiatives, help Baldivis residents with planning and development Issues, advocate for less development in Baldivis and work with local sporting groups that are growing at a rapid pace. The community feedback I have received is to focus more on the environmental Issues our City is facing, such as our declining penguin population and coastal erosion issues, my aim is to make sure these issues are a priority for our Council.

I anticipate completing my Diploma of Local Government in the second half of 2021 and look forward to implementing everything I've learnt so far.

If you have any queries or need assistance, please feel free to contact me at any time.



CR SALLY DAVIES

Phone: 9528 0333

Email: cr.davies@rockingham.wa.gov.au

I've been part of the Rockingham community for nearly 30 years. I love it here, have raised my children here, and, after spending many happy years as a local high school teacher, am committed to serving my community.

I became a Councillor because I wanted the opportunity to give back the community that I call home, the community that has made me feel welcome and that has given me so much. I believe in a fair go, in building community ties, and seeing our wonderful home flourish. I am a team player and thrive in group environments, so working with the Council in conjunction with the committed staff of the City of Rockingham is a huge pleasure and privilege.

Organisational Structure

The City of Rockingham Administration comprises six directorates.



General Management
Services



Corporate
Services



Engineering and
Parks Services



Community
Development

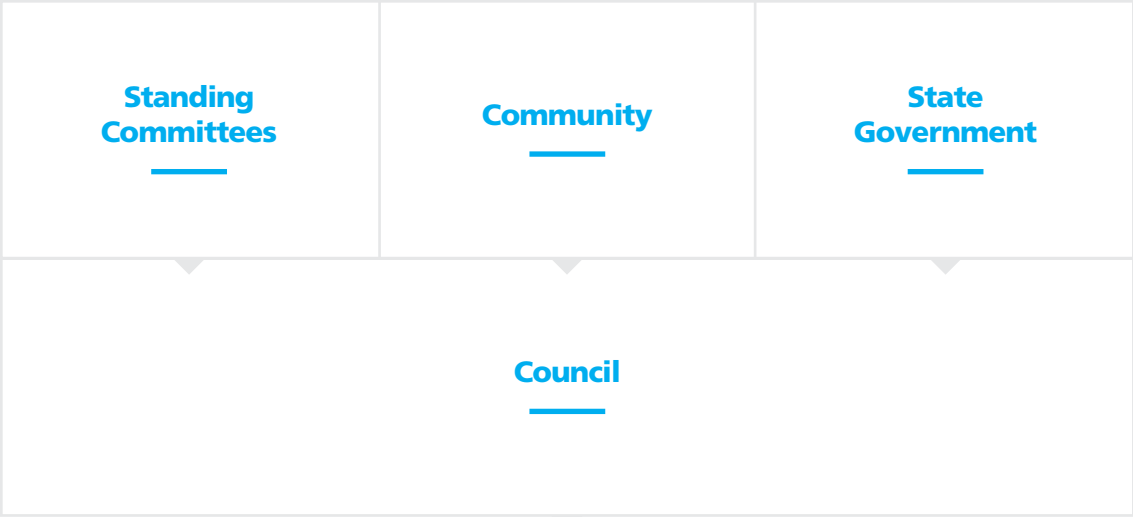


Planning and
Development Services




Legal Services and
General Counsel

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



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
- Strategy, Marketing and Communication
- Governance and Councillor 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 26 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, Development Compliance and SmartWatch Service
- Rockingham Strategic Metropolitan Centre

Bob has 45 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 that supports community outcomes.

Key Responsibilities

- 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 New South Wales, Victoria and Western Australia. For 25 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, facility and parks operations and services. Sam has spent 20 years developing and embedding asset management principles in local government practices.

Sam joined the City in 2017 and looks forward to continuing to deliver excellent outcomes for 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 through the following departments:

- Community Capacity Building
- Library Services
- Community and Leisure Facilities
- Economic Development and Tourism
- Community Safety and Support Services
- Community Infrastructure Planning

Michael has lived in Rockingham his whole life and has worked in both local government and the private sector. For more than 20 years he has dedicated his career to the community development industry. 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 20 years of leadership 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), 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 an oversight of the City's operational local government systems; and
- Develops and implements training for staff and Councillors on relevant legal topics and issues.

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

The City of Rockingham plays an important role in relation to access and inclusion as it undertakes an array of responsibilities which impact on the quality of life of people with disability, their families and carers. These include infrastructure provision, facilities management and the delivery of a wide range of services and programs. People with disability have the same rights as other community members to access the City's services and participate fully in community life and the City is committed to enabling this.

In line with the requirements of the *Western Australian Disability Services Act 1993*, the City 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.

For the period 2016 - 2019, the City also developed a Disability Access and Inclusion Strategy (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 2020/2021 the City undertook a process to review the progress achieved through the DAIP and DAIS 2016 - 2019 and to develop a revised and updated DAIP. The review process determined that a revised and updated DAIS was not required as a separate strategy given that the intent of the DAIS can be addressed through the DAIP. It is anticipated that the City's new DAIP for 2021/2022 – 2025/2026 will be presented for Council endorsement in late 2021.



Disability Access and Inclusion

Throughout 2020/2021 the City continued implementing the actions outlined in the DAIP and the DAIS for the period 2016-2019. Progress achieved during the year includes:

- Ongoing facilitation of the *Mandurah, Kwinana and Rockingham Access and Inclusion Network*, carried out in partnership with the City of Mandurah and the City of Kwinana. Network membership comprises service providers and other stakeholders working in the disability sector across the region bounded by the three local government areas. The network provides regular opportunities for members to share information, build networks and establish collaborative partnerships.
- Support for ongoing bi-monthly meetings of the Disability Access and Inclusion Advisory Committee. This Advisory Committee represents the community by providing advice and support to Council to address City controlled disability access and inclusion issues.
- Providing a series of consultation opportunities to engage key stakeholders and community members to better understand the progress the City has made through the previous DAIP and to determine what actions might be taken to continue to improve the accessibility and inclusiveness of the City in future.
- Delivery of opportunities for children and teenagers with disability through the inclusive *AJ Connect* program provided at Aqua Jetty. Participants are able to work on hand-eye coordination and fitness through games and teamwork.
- Continued provision of programs at the City's libraries that are designed to be inclusive and accessible to the whole community. While the goal is to make all programs accessible and inclusive there are a small number of programs that have been introduced in recent years that are targeted towards people with a disability, their families and carers:
 - *Connect and Create* space at Rockingham Central Library which provides a space for people with carers to come and do puzzles, colour in, read or just sit and chat with others. The space isn't exclusively for customers with carers but has become a hive of activity.
 - Mary Davies Library and Community Centre offers an Adult Lego session on a Sunday which is utilised by customers with carers on a regular basis and is a great way for them to meet others while enjoying creating Lego masterpieces. The Family Lego sessions also attract a mixed crowd with people of all ages and abilities joining in.
 - The portable Hearing Loop is transported to external venues as required such as Secret Harbour Community Centre, where library staff run outreach sessions, and Golden Bay Pop Up Library when craft sessions are being held for adults.
 - Rockingham Central Library celebrated its 5th birthday in February 2021 and included performances by Activ Heartbeats who performed two aerobics routines to music.

- Rockingham Central Library also facilitated a month long exhibition by art group Mixed Palette, an art studio whose primary participants have an intellectual disability, which included an official opening and various workshops throughout the month and was very well attended.
- Two portable pop up sensory caves are being made available at the libraries for people, particularly with sensory disabilities, to use in the library space to create a more comfortable space during their visit. These will be rolled out to all libraries in the next financial year along with other sensory kits for loan which are currently in development.
- Commencement of the Rockingham Youth Centre (RYC), which was formally opened in March 2021. The RYC team has taken a proactive approach in regards to disability access and inclusion, with the goal of optimising the degree to which the services and programs they provide are accessible and inclusive. Where suitable the team also implements targeted approaches to engage and support young people with disability, and in the short time since the centre commenced operations, the following has been achieved:
 - Promotional material and content for the RYC Launch Event noted that carers were welcome to attend with young people who needed support. A low sensory area was also provided at this event.
 - The team has created opportunities for the targeted engagement of students from local education support centres to help them feel comfortable accessing youth centre programs and events.
 - The RYC team organised the Shape Your Future Careers Expo and incorporated two sensory-friendly time slots where young people who are neurodiverse could benefit from a quieter and low key environment in which to engage with stallholders.
- Making continuous improvements to enhance the accessibility of events provided by the City, including measures such as:
 - Creating additional temporary ACROD parking bays for large community events.
 - Increasing the number of events where Auslan interpretation is provided at the event or is used to assist in promotion to people who are deaf or hard of hearing.
 - The use of matting to enhance access at events that take place on sand or grass, such as the Castaways Sculpture Awards Exhibition and Symphony on the Green.
 - Engaging DADAA to provide tactile tours at the Castaways Sculpture Awards Exhibition.
 - Providing quiet and low sensory spaces at large community events, in addition to targeted opportunities such as Sensory Friendly Santa, which was presented in December 2020 as part of the Rockingham Christmas Festival.
- Ongoing provision of the Home Modification and Assistive Equipment Subsidy for people aged 60 and over who are on a low income. In 2020/2021 the City approved 364 applications for a subsidy of up to \$150 per person. The most popular items for which the subsidy was used were mobility, walking and vehicle aids.
- Awareness raising initiatives regarding dementia; through campaigns, training and workshops for City staff, volunteers and community members.
- Providing support for users of mobility scooters and gophers by participating in the RECHARGE program. There are now 10 charging stations available across the City for users to safely and securely recharge while out and about in the community.
- Promoting and supporting the *Forget Me Not Café*, a monthly social event for people living with dementia and their carers.

- Presenting *My Child and Autism*, a two part workshop facilitated by the Autism Association of WA. This provided attendees with practical strategies to support children who are autistic and their family.
- Partnering with Inclusion Solutions for the delivery of the Club Renovation Toolkit in 2020 and the Building Inclusive Communities WA Project in 2021. These projects encompass a range of initiatives that are aimed at promoting social inclusion by engaging and supporting local clubs and groups.
- Promoting the Wide Angle Film Festival (WAFF) to the community for International Day of People with Disability. WAFF is a compilation of high quality international short films that reflect the diverse experiences of people with disability. The festival was made available for community members to watch online, with information and links being provided from the City's website. Small live screening events were also held for members of the Autumn Centre, Junior Council and City staff.
- Participating as a proud partner in the *This Bay is Someone's Day* Campaign, which was rolled out in late 2020 by National Disability Services WA (NDS WA). The campaign sought to raise awareness regarding the diversity of ACROD permit holders and the detrimental impact that misuse of these bays has on them. The City participated by displaying promotional material at ACROD bays and using its social media channels to promote the campaign to the community.
- Ongoing promotion of beach access equipment that is available through the City: 120 m of access matting is installed on Rockingham beaches annually from October to April; and beach walkers and three different models of beach wheelchair are available to the community to loan free of charge. In 2020/2021, a collection of maps was developed to improve the information provided by the City to enable people to plan their visit to the beach. The maps are available from the City's website and will continue to be promoted to the community using social media.
- Use of the Community Grants Program to provide financial support for community organisations to make access improvements to community infrastructure. For example, Chorus Australia was awarded an Infrastructure Capital Grant in 2021 for renovations to improve their universal access toilet so that it meets current access standards.
- Continuing to introduce and build inclusive elements into new and replacement reserve infrastructure such as playgrounds, BBQ facilities and pathways for access into and within reserves.
- Finalisation of the Equal Opportunity Management Plan 2020 - 2023, which sets recruitment targets for employing people with a disability and sets out a number of strategies to promote the City as an employer of choice to people with a disability.
- Ongoing engagement of Disability Employment Services to identify and support employment and traineeship opportunities for people with disability.
- Providing staff with an opportunity to participate in Autism Awareness Training, which was provided by Spectrum Space.

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 revised Record Keeping Plan was approved for a five-year period by the State Records Commission on 7 December 2018. The next review is due in 2023.

The City is committed to continuous improvement. It continues to provide online Record Keeping Awareness Training to new employees and refresher training for all employees every two years. The interactive course outlines the recordkeeping roles and responsibilities of all employees at the City of Rockingham. Participants must undertake and pass a short assessment at the completion of the course. Regular orientation sessions are held for new employees which provides an overview of their record keeping responsibilities. A records management handbook has also been developed to further assist employees meet their record keeping responsibilities. In 2021 records management job specific training was developed and introduced whereby attendees receive dedicated records management training specifically related to their department and position.

In November 2020 a records management awareness session was held for elected members and in February 2021 Council adopted a revised Council Policy – Records Management. The policy provides clear direction to the City of Rockingham elected members on maintaining complete and accurate recording of activities and decisions made in the course of their official duties.

During 2020/2021 the City's back scanning program continued for its 11th year.

Executive Remuneration (as at 30 June 2021)

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	No. of Executives
120,001 – 130,000	1
130,001 – 140,000	3
140,001 – 150,000	3
150,001 – 160,000	5
160,001 – 170,000	8
170,001 – 180,000	1
180,001 – 190,000	0
190,001 – 200,000	0
200,001 – 210,000	0
210,001 – 220,000	1
220,001 – 230,000	2
230,000 – 240,000	0
240,001 – 250,000	0
250,001 – 260,000	1
260,001 – 270,000	1
270,001 – 280,000	1
280,001 – 290,000	0
290,001 – 300,000	0

Record of Meeting Attendance by Councillors

2020-2021 Record of meeting attendance by Councillors

	Cr Sammels	Cr Hamblin	Cr Whitfield	Cr Stewart
Council	12/12	12/12	7/9	10/12
Special Council	2/2	2/2	1/1	2/2
Annual Electors	1/1	1/1	1/1	1/1
Planning and Engineering Services Committee	4/4	12/12	6/8	2 x Deputy
Corporate and Community Development Committee				10/12
Audit Committee	3/3	1/3	1/1	
Australia Day Awards Selection Panel				
Bush Fire Advisory Committee				
CEO Performance Review Committee	3/3	3/3		
City Safe Advisory Committee	9/10	9/10		
Coastal Facilities Advisory Committee				4/4
Community Grants Program Committee	3/3			
Cultural Development and the Arts Advisory Committee				
Customer Service Review Committee	0/0			0/0
Disability Access and Inclusion Advisory Committee				2/2
Global Friendship Committee	4/5	4/5		
Governance Review Committee	3/3	1/1	2/2	
Heritage Reference Group				
RoadWise Advisory Committee			1/2	0/2
Rockingham Education and Training Advisory Committee		2/3		
Seniors Advisory Committee				4/5
Sports Advisory Committee				

Cr Buchanan withdrew from the Rockingham Education and Training advisory Committee in July 2020.
 Cr Davies and Cr Cottam withdrew as representatives on Tourism Rockingham in August 2020.
 Cr Cottam withdrew from the Disability Access and Inclusion Advisory Committee in December 2020.
 Cr Whitfield resigned from Council on 31 March 2021.
 Red denotes that the Councillor deputised at that meeting.

Cr Liley	Cr Jones	Cr Buchan	Cr Cottam	Cr Davies	Cr Edwards	Cr Buchanan
12/12	11/12	12/12	12/12	12/12	11/12	12/12
2/2	1/2	2/2	2/2	2/2	1/2	2/2
1/1	1/1	1/1	1/1	1/1	1/1	1/1
	11/12	11/12	1 x Deputy	2 x Deputy	10/12	
12/12	1 x Deputy	1 x Deputy	9/12	7/12	5 x Deputy	11/12
2/2		3/3				
				1/1		1/1
			3/4			
	3/3				3/3	
	8/10					
		3/4				
2/3					2/3	3/3
						1/2
			0/0			
	5/5		0/3			
			0/5			
3/3		3/3				
			1/1			
		1 x Deputy				
				3/3		
			0/5			
3/3					1/3	

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 2020/2021 year, 34 requests were received for information under FOI and no public interest disclosures were received.

Financial Years	FOI Applications	Transfers	Completed	Withdrawn	Not yet completed	Internal Review Applications
2020-2021	34	1	31	4	3	1
2019/2020	28	0	22	5	1	0
2018/2019	31	0	30	3	3	1
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's local laws are reviewed. In 2020/2021 the City adopted the City of Rockingham Waste Local Law 2020 and the City of Rockingham Fencing Local Law 2020.

Three local laws are still under review, some due to legislative changes and others need further review:

- Health Local Law 1996
- Signs, Hoardings and Bill Posting By-law 1960
- Standing Orders Local Law 2001

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. The latest review was adopted at the 28 July 2020 Council meeting.

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 18 ceremonies were held with 1164 people becoming Australian citizens this year. Unfortunately, two ceremonies had to be cancelled due to COVID-19 in February 2021.

Register of Complaints and Minor Breaches

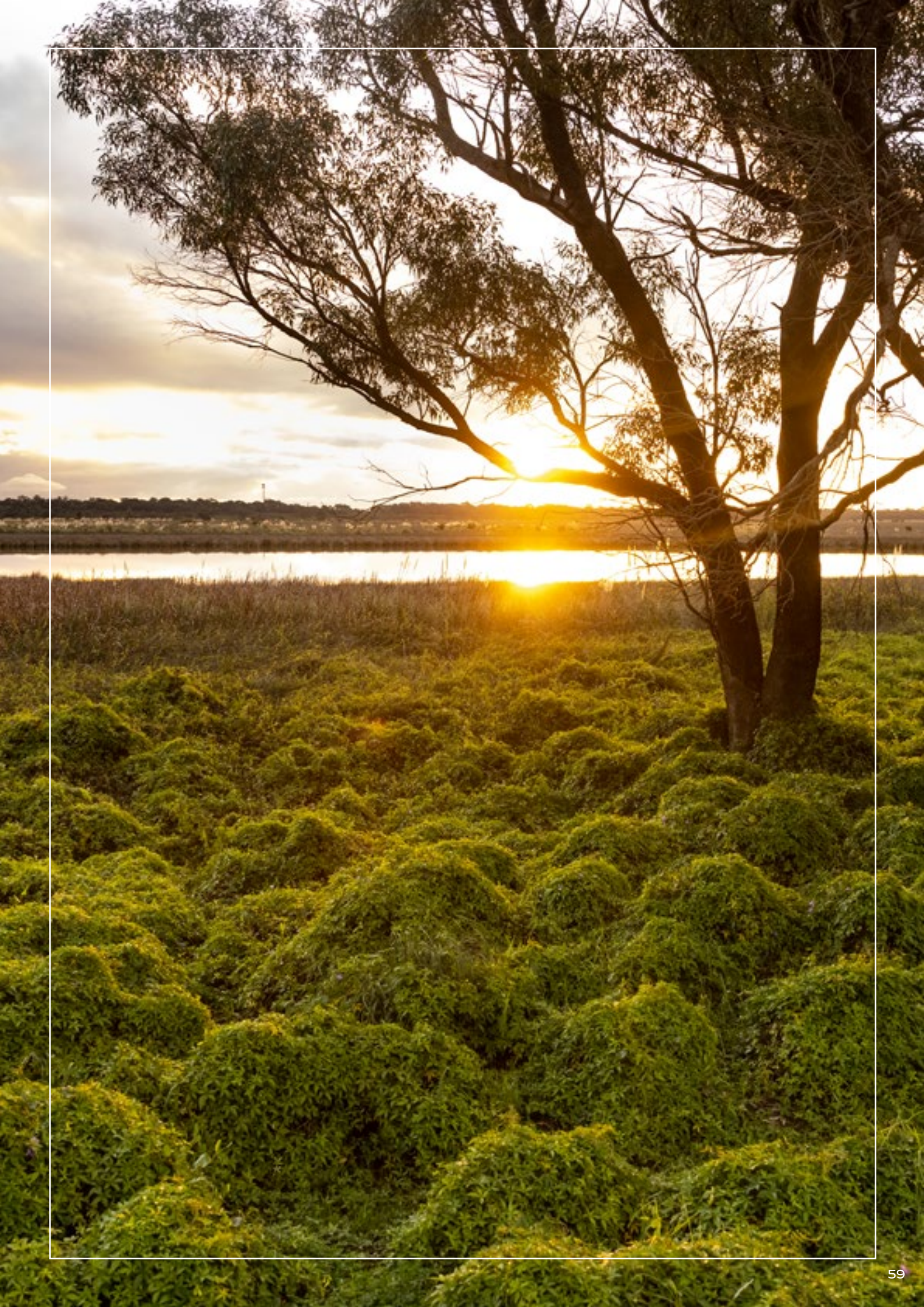
Section 5.53(hb) of the *Local Government Act 1995* specifies that the annual report is to contain details of entries made in the register of complaints during the financial year in review. One complaint was recorded in the register during the period under review. A register of complaints and minor breaches is available on the City's website.

Complaint 1

Sent 6 July 2020 by Cr Hayley Edwards regarding Cr Rae Cottam.

Nature of complaint

A complaint was made to the Local Government Standards Panel (the Panel), in which it was alleged Cr Cottam contravened the Local Government (Rules of Conduct) Regulations 2007 (WA) by using derogatory language to comment on the Facebook post of a local community member. The Panel found Cr Cottam breached regulation 7(1)(b) of said Regulations and her conduct was in breach of the City's Code of Conduct. As required by the Panel, Cr Cottam issued a public apology in relation to the matter at the Ordinary Council Meeting on 23 March 2021.



Risk Management

Risk management is an integral part of the City's decision making process. The Council acknowledges that risk management is a fundamental element of good business practice. The Council Policy – Risk Management defines the principles that establish and maintain an integrated risk management system across all strategic and operational functions of the City, including project and event management. This policy is underpinned by organisational awareness and compulsory risk training.

The City fulfils its requirement under Regulation 17 of the Local Government (Audit) Regulations 1996 by conducting regular reviews of its Risk Management Framework to ensure continuous improvement and meet industry best practice.





Priorities for the Future

In the coming year the City will continue to work towards achieving its visions for the future. Some of the key projects and events to take place in 2021/2022 include:



Continue construction on the Baldivis District Sporting Complex.



Complete Shoalwater Reserve Activity Node project.



Complete Koorana Reserve Upgrades.



Finalise detailed design of the Aqua Jetty Stage Two project.



Implement Strategic Asset Management Plan.



The City will have its first ever community elected Mayor.



Financial Report Intro

For the year ended 30 June 2021

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Principal place of business:
Civic Boulevard
Rockingham WA 6168



Statement by Chief Executive Officer

For the year ended 30 June 2021

CITY OF ROCKINGHAM
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

*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 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City of Rockingham at 30 June 2021 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

22ND

day of

NOVEMBER

2021



Chief Executive Officer

MICHAEL PARKER

Name of Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	30(a)	91,654,021	92,209,240	91,549,962
Operating grants, subsidies and contributions	2(a)	7,884,432	10,019,502	8,416,764
Fees and charges	2(a)	42,765,941	38,432,619	39,522,758
Interest earnings	2(a)	1,115,753	1,655,000	3,392,725
Other revenue	2(a)	3,048,867	15,682,011	4,298,149
		146,469,014	157,998,372	147,180,358
Expenses				
Employee costs		(59,450,085)	(59,907,868)	(58,039,696)
Materials and contracts		(37,574,607)	(52,369,140)	(39,324,888)
Utility charges		(6,064,377)	(6,049,756)	(6,015,624)
Depreciation on non-current assets	11(b)	(40,276,020)	(37,786,319)	(40,210,485)
Interest expenses	2(b)	(626,686)	(613,294)	(700,430)
Insurance expenses		(1,192,804)	(1,572,656)	(1,169,609)
Other expenditure		(10,662,240)	(23,027,258)	(9,637,216)
		(155,846,819)	(181,326,291)	(155,097,948)
		(9,377,805)	(23,327,919)	(7,917,590)
Non-operating grants, subsidies and contributions	2(a)	22,791,250	7,910,253	26,605,960
Profit on asset disposals	11(a)	172,867	3,575,616	308,965
(Loss) on asset disposals	11(a)	(495,413)	(389,813)	(982,412)
Impairment Loss	11(b)	(991,505)	0	(1,579,010)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	4,525	0	2,017
Share of net profit or loss of associates accounted for using the equity method	27(a)	(19,392)	0	(5,964)
		21,462,332	11,096,056	24,349,556
Net result from discontinued operations	8	(316,124)	0	122,460
Net result for the period		11,768,403	(12,231,863)	16,554,426
Other comprehensive income				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		11,768,403	(12,231,863)	16,554,426

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

Statement of Comprehensive Income by Program

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue	2(a)			
Governance		349,306	310,732	2,686,207
General purpose funding		98,770,710	101,009,282	100,639,698
Law, order, public safety		2,409,488	821,300	2,254,523
Health		324,546	237,290	266,980
Education and welfare		1,613,747	1,573,100	459,345
Housing		459,899	3,900,064	404,238
Community amenities		32,671,006	41,057,134	31,280,607
Recreation and culture		7,200,900	7,149,034	6,314,988
Transport		438,109	705,444	280,697
Economic services		1,206,087	701,132	725,702
Other property and services		1,025,216	533,860	1,867,373
		146,469,014	157,998,372	147,180,358
Expenses	2(b)			
Governance		(7,708,344)	(10,211,030)	(5,007,610)
General purpose funding		(584,091)	(1,585,000)	(1,128,350)
Law, order, public safety		(7,301,885)	(8,301,876)	(7,866,429)
Health		(2,540,736)	(2,274,510)	(2,272,932)
Education and welfare		(6,202,007)	(7,783,063)	(6,276,310)
Housing		(394,438)	(4,132,460)	(654,695)
Community amenities		(35,515,675)	(46,887,120)	(35,292,191)
Recreation and culture		(53,606,057)	(54,189,499)	(54,336,102)
Transport		(37,340,720)	(40,266,220)	(37,022,363)
Economic services		(2,892,066)	(3,701,971)	(2,742,569)
Other property and services		(1,134,114)	(1,380,248)	(1,797,967)
		(155,220,133)	(180,712,997)	(154,397,518)

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Finance costs	2(b)			
Law, order, public safety		(33,361)	(33,495)	(36,470)
Recreation and culture		(593,325)	(579,799)	(663,960)
		(626,686)	(613,294)	(700,430)
		(9,377,805)	(23,327,919)	(7,917,590)
Non-operating grants, subsidies and contributions	2(a)	22,791,250	7,910,253	26,605,960
Profit on disposal of assets	11(a)	172,867	3,575,616	308,965
(Loss) on disposal of assets	11(a)	(495,413)	(389,813)	(982,412)
Impairment Loss	11(b)	(991,505)	0	(1,579,010)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	4,525	0	2,017
Share of net profit or loss of associates accounted for using the equity method	27(a)	(19,392)	0	(5,964)
		21,462,332	11,096,056	24,349,556
Net result from discontinued operations	8	(316,124)	0	122,460
Net result for the period		11,768,403	(12,231,863)	16,554,426
Other comprehensive income				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		11,768,403	(12,231,863)	16,554,426

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

Statement of Financial Position

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	3	45,903,393	9,456,787
Trade and other receivables	6	9,011,298	10,966,701
Other financial assets	5(a)	66,653,718	85,207,513
Inventories	7	210,447	241,131
Contract assets	2(a)	807,418	0
Assets held for sale	8	10,522,887	12,960,250
Total current assets		133,109,161	118,832,382
Non-current assets			
Trade and other receivables	6	2,044,928	1,941,665
Other financial assets at amortised costs	5(b)	22,853	31,083
Financial assets at fair value through profit and loss	5(b)	129,162	124,637
Property, plant and equipment	9	287,338,420	289,677,125
Infrastructure	10	1,831,973,086	1,822,395,891
Intangible assets	13	7,295,317	7,875,492
Right of use assets	12(a)	623,898	831,864
Total non-current assets		2,129,427,664	2,122,877,757
Total assets		2,262,536,825	2,241,710,139

	Note	2021 \$	2020 \$
Current liabilities			
Trade and other payables	15	27,240,527	21,213,542
Contract liabilities	16	4,456,814	818,692
Lease liabilities	17(a)	226,872	226,872
Borrowings	18(a)	1,217,508	1,146,109
Employee related provisions	19	11,020,845	9,584,749
Liabilities held for sale	8	4,605,726	5,252,333
Total current liabilities		48,768,292	38,242,297
Non-current liabilities			
Lease liabilities	17(a)	378,120	604,992
Borrowings	18(a)	6,627,393	7,844,901
Employee related provisions	19	1,209,472	1,501,064
Other provisions	20	9,872,907	9,604,647
Total non-current liabilities		18,087,892	19,555,604
Total liabilities		66,856,184	57,797,901
Net assets		2,195,680,641	2,183,912,238
Equity			
Retained surplus		457,569,713	438,741,378
Reserves - cash backed	4	48,587,419	48,647,351
Revaluation surplus	14	1,689,523,509	1,696,523,509
Total equity		2,195,680,641	2,183,912,238

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

Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Retained surplus \$	Reserves cash backed \$	Revaluation surplus \$	Total equity \$
Balance as at 1 July 2019		425,157,121	45,677,182	1,696,523,509	2,167,357,812
Total equity at the beginning of the financial year		419,242,431	43,019,022	1,696,523,509	2,158,784,962
Comprehensive income					
Net result for the period		16,554,426	0	0	16,554,426
Total comprehensive income		16,554,426	0	0	16,554,426
Transfers from reserves	4	1,728,589	(1,728,589)	0	0
Transfers to reserves	4	(4,698,758)	4,698,758	0	0
Balance as at 30 June 2020		438,741,378	48,647,351	1,696,523,509	2,183,912,238
Comprehensive income					
Net result for the period		11,768,403	0	0	11,768,403
Total comprehensive income		11,768,403	0	0	11,768,403
Reclassification	14	7,000,000	0	(7,000,000)	0
Transfers from reserves	4	3,351,929	(3,351,929)	0	0
Transfers to reserves	4	(3,291,997)	3,291,997	0	0
Balance as at 30 June 2021		457,569,713	48,587,419	1,689,523,509	2,195,680,641

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



Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash flows from operating activities				
Receipts				
Rates		93,129,925	92,036,038	92,129,705
Operating grants, subsidies and contributions		10,749,846	5,337,718	3,090,640
Fees and charges		43,783,888	38,432,619	40,076,723
Interest received		1,115,753	1,655,000	3,392,725
Goods and services tax received		5,172,890	44,361	5,738,248
Other revenue		6,578,355	15,582,011	5,813,685
		160,530,657	153,087,747	150,241,726
Payments				
Employee costs		(58,045,597)	(60,082,895)	(57,272,211)
Materials and contracts		(35,998,241)	(52,261,229)	(33,812,894)
Utility charges		(6,156,890)	(6,049,756)	(6,015,624)
Interest expenses		(634,961)	(613,294)	(700,430)
Insurance expenses		(1,197,786)	(1,572,656)	(1,169,609)
Goods and services tax paid		(5,162,577)	0	(5,795,363)
Other expenditure		(10,706,118)	(23,027,258)	(4,384,879)
		(117,902,170)	(143,607,088)	(109,151,010)
Net cash provided by (used in) operating activities	21	42,628,487	9,480,659	41,090,716

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash flows from investing activities				
Payments for purchase of property, plant and equipment		(11,089,295)	(42,920,090)	(13,148,846)
Payments for construction of infrastructure		(27,811,494)	(45,184,641)	(21,226,750)
Non-operating grants, subsidies and contributions		11,563,958	7,910,253	971,100
Net proceeds/(payments) on financial assets at amortised cost		18,554,272		(10,012,789)
Proceeds from sale of property, plant and equipment	11(a)	890,317	1,418,300	1,589,842
Net cash provided by (used in) investment activities		(7,892,242)	(78,776,178)	(41,827,443)
Cash flows from financing activities				
Repayment of borrowings	18(b)	(1,146,109)	(1,146,109)	(1,070,955)
Payments for principal portion of lease liabilities	17(b)	(226,872)	(226,872)	(207,966)
Proceeds from new borrowings	18(b)	0	30,500,000	0
Proceeds from self supporting loans	18(b)	7,754	0	7,307
Net cash provided by (used in) financing activities		(1,365,227)	29,127,019	(1,271,614)
Net increase (decrease) in cash held		33,371,018	(40,168,500)	(2,008,341)
Cash at beginning of year		17,372,492	90,408,662	19,380,833
Cash and cash equivalents at the end of the year		50,743,510	50,240,162	17,372,492
Cash and cash equivalent		45,903,393	50,240,162	9,456,787
Cash classified as held for sale	8(b)	4,840,117	0	7,915,705
Cash and cash equivalents at the end of the year	21	50,743,510	50,240,162	17,372,492

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

Rate Setting Statement

For the year ended 30 June 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating activities				
Net current assets at start of financial year - surplus/(deficit)	31 (b)	48,838,303	32,431,464	49,801,766
		48,838,303	32,431,464	49,801,766
Revenue from operating activities (excluding rates)				
Governance		367,609	310,732	2,690,578
General purpose funding		7,116,689	8,800,042	9,089,736
Law, order, public safety		2,491,116	887,496	2,254,523
Health		332,731	241,054	267,711
Education and welfare		1,613,747	1,602,726	508,389
Housing		459,899	3,900,064	404,238
Community amenities		34,233,264	44,247,300	32,123,353
Recreation and culture		12,835,592	8,592,042	20,814,576
Transport		16,045,474	5,702,341	11,576,848
Economic services		1,194,733	701,132	733,993
Other property and services		1,073,389	2,290,072	2,083,393
		77,764,243	77,275,001	82,547,338
Expenditure from operating activities				
Governance		(7,708,344)	(10,227,263)	(5,040,030)
General purpose funding		(584,091)	(1,585,000)	(1,128,350)
Law, order, public safety		(7,335,246)	(8,347,838)	(7,942,340)
Health		(2,540,736)	(2,274,510)	(2,272,932)
Education and welfare		(6,212,163)	(7,783,063)	(6,324,310)
Housing		(394,438)	(4,132,460)	(654,695)
Community amenities		(36,030,607)	(47,152,735)	(35,893,701)
Recreation and culture		(55,112,331)	(54,812,131)	(56,209,155)
Transport		(37,389,601)	(40,266,220)	(37,522,396)
Economic services		(2,892,066)	(3,703,310)	(2,748,533)
Other property and services		(1,134,114)	(1,431,574)	(1,928,892)
		(157,333,737)	(181,716,104)	(157,665,334)
Net result from discontinued operations		(316,124)	0	122,460
Non-cash amounts excluded from operating activities	31(a)	31,362,558	34,829,532	19,509,648
Amount attributable to operating activities		315,242	(37,180,107)	(5,684,123)

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Investing activities				
Proceeds from disposal of assets	11(a)	890,317	1,418,300	1,589,842
Purchase of property, plant and equipment	9(a)	(11,089,295)	(42,920,090)	(13,148,846)
Purchase and construction of infrastructure		(27,811,494)	(45,184,641)	(21,226,750)
Amount attributable to investing activities		(38,010,472)	(86,686,431)	(32,785,754)
Financing activities				
Repayment of borrowings	18(b)	(1,146,109)	(1,146,109)	(1,070,955)
Proceeds from borrowings	18(c)	0	30,500,000	0
Payments for principal portion of lease liabilities	17(b)	(226,872)	0	(207,966)
Proceeds from self supporting loans	18(b)	7,754		7,307
Transfers to reserves (restricted assets)	4	(3,291,997)	(3,158,708)	(4,698,758)
Transfers from reserves (restricted assets)	4	3,351,929	10,172,642	1,728,589
Amount attributable to financing activities		(1,305,295)	36,367,825	(4,241,783)
Surplus/(deficit) before imposition of general rates		(39,000,525)	(87,498,712)	(42,711,660)
Total amount raised from general rates	30(a)	91,654,021	92,209,240	91,549,962
Surplus/(deficit) after imposition of general rates	31(b)	52,653,496	4,710,528	48,838,303

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



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For the year ended 30 June 2021

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Notes to and forming part of the Financial Report

For the year ended 30 June 2021

1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value.

The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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 38 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

- *AASB 1059 Service Concession Arrangements: Grantors*
- *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. Revenue and expenses

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None



Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Cash received	On receipt of funds	Not applicable	When assets are controlled
Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a four-year cycle
Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. Revenue and expenses (continued)

REVENUE RECOGNITION POLICY (continued)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within seven days
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None



Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Adopted by Council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. Revenue and expenses (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(a) 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	5,678	16,300	6,494
General purpose funding	5,418,265	6,472,042	7,040,788
Law, order, public safety	504,667	222,400	577,270
Health	5,896	7,050	6,246
Education and welfare	1,256,076	1,337,100	172,492
Housing	180	0	630
Community amenities	125,741	11,320	31,116
Recreation and culture	310,465	1,185,200	261,265
Transport	7,589	500,000	18,026
Economic services	3,549	4,230	3,305
Other property and services	246,326	263,860	299,132
	7,884,432	10,019,502	8,416,764
Non-operating grants, subsidies and contributions			
Community amenities	1,562,258	1,528,356	819,947
Recreation and culture	5,621,627	1,385,000	14,489,862
Transport	15,607,365	4,996,897	11,296,151
	22,791,250	7,910,253	26,605,960
Total grants, subsidies and contributions	30,675,682	17,929,755	35,022,724

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(a) Grant revenue (continued)			
Fees and charges			
Governance	323,636	233,932	203,133
General purpose funding	356,612	138,000	290,530
Law, order, public safety	1,863,139	591,900	1,638,723
Health	276,391	209,340	259,690
Education and welfare	281,727	225,800	267,845
Housing	459,719	456,438	399,931
Community amenities	31,280,582	30,054,000	30,128,842
Recreation and culture	6,409,200	5,634,363	5,410,254
Transport	332,936	205,444	204,889
Economic services	1,181,999	683,402	718,921
	42,765,941	38,432,619	39,522,758

The comparative figures had been re-presented to conform with the current year classification and presentation. There were no changes to the amounts of fees or charges detailed in the original budget.

Significant accounting policies

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee-for-service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. Revenue and expenses (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(a) Revenue (continued)			
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:			
Grants, subsidies and contribution	30,675,682	0	35,022,724
	30,675,682	0	35,022,724

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	818,692	0	0
Revenue from contracts with customers recognised during the year	29,856,990	0	35,022,724
	30,675,682	0	35,022,724

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

Contract assets	807,418	0	0
Contract liabilities from contracts with customers	(4,456,814)	0	(818,692)

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2021. Assets associated with contracts with customers were not subject to an impairment charge. Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(a) Revenue (continued)			
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	91,654,021	92,209,240	91,549,962
	91,654,021	92,209,240	91,549,962
Assets and services acquired below fair value			
Grants, subsidies and contributions	1,483,940	1,518,356	819,947
	1,483,940	1,518,356	819,947
Other revenue			
Reimbursements and recoveries	1,621,086	929,801	1,756,838
Other	1,427,781	14,752,210	2,541,312
	3,048,867	15,682,011	4,298,150
Interest earnings			
Reserve Funds	366,154	1,250,000	869,366
Rates instalment and penalty interest (refer Note 30(b))	189,168	325,000	1,233,123
Other interest earnings	560,431	80,000	1,290,236
	1,115,753	1,655,000	3,392,725

Significant accounting policies

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. Revenue and expenses (continued)

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
(b) Expenses				
Auditors remuneration				
Audit Services		89,278	105,000	118,817
		89,278	105,000	118,817
Interest expenses (finance costs)				
Borrowings	18(b)	605,020	613,294	680,569
Lease liabilities	17(b)	21,666	0	19,861
		626,686	613,294	700,430
Significant expense				
Depreciation		40,276,020	37,786,319	40,210,485
Operating expense - Millar Road Landfill Facility - Landfill Levy		7,410,308	8,000,000	6,953,353
		47,686,328	45,786,319	47,163,838

COVID-19 Pandemic impact on Revenue and Expenses of the City

The COVID-19 pandemic impacted the City of Rockingham from March 2020. A Business Continuity Team was implemented to provide support to the Executive Leadership team in planning for the response to the pandemic.

In accordance with the restrictions from the Australian Government and State Governments, all City of Rockingham leisure and community facilities and libraries were closed for around three weeks during the 2020/2021 financial year and reopened with restrictions. The financial impact on the City was primarily due to the loss of operating revenue from fees and charges, with only a minor impact on operating expenditure as a result of these closures. During this period the City maintained essential and other services to the community by adopting different operating arrangements as required.

3. Cash and cash equivalents

	Note	2021 \$	2020 \$
Unrestricted		38,550,652	7,651,698
Restricted		7,352,741	1,805,089
Total cash and cash equivalents		45,903,393	9,456,787
Term deposits - Unrestricted		18,058,068	33,169,801
Term deposits - Restricted		48,587,419	52,029,957
Total Term Deposits		66,645,487	85,199,758
Total Cash and Cash Equivalents and Term Deposits		112,548,880	94,656,545

Restrictions

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

Total Unrestricted cash and term deposits	56,608,720	40,821,499
Total Restricted cash and term deposits	55,940,160	53,835,046
	112,548,880	94,656,545

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

Reserves - cash backed	4	48,587,419	48,647,351
Unspent grants, subsidies and contributions	16	4,456,814	3,382,606
Bond Liabilities - Municipal Bonds	15	2,895,927	1,805,089
		55,940,160	53,835,046

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

4. Reserves - Cash backed

	2021 Actual Opening Balance \$	2021 Actual Transfer to \$	2021 Actual Transfer (from) \$	2021 Actual Closing Balance \$
(a) Town Planning Scheme Review	453,434	2,144	(455,578)	0
(b) Public Car Park Reserve - Cash in Lieu Contributions	2,382,305	21,637	0	2,403,942
(c) Waste and Landfill Preservation	18,169,203	165,021	0	18,334,224
(d) CLAG - Peel Mosquito Control	24,450	222	0	24,672
(e) Administration and Community Building	1,137,202	9,927	(92,708)	1,054,421
(f) City Centre Carpark Reserve - Cash in Lieu	262,628	2,385	0	265,013
(g) City Centre Development	2,774,346	25,198	0	2,799,544
(h) Workers Compensation	784,649	7,127	0	791,776
(i) Anstey Park Shared Costs	1,264,941	11,489	0	1,276,430
(j) Legal Fees	987,244	8,967	0	996,211
(k) Strategic Master Planning	687,854	3,252	(691,106)	0
(l) Active Aging Development	192,737	1,751	0	194,488
(m) Bert England Lodge Capital Works	3,463,051	31,453	0	3,494,504
(n) Capital Works	4,920,843	1,196,348	0	6,117,191
(o) Employee Leave	6,066,264	55,097	0	6,121,361
(p) Developer Contributions Scheme	4,333,162	1,743,722	(2,034,037)	4,042,847
(q) Challenger Court	214,379	1,947	0	216,326
(r) Life Long Learning	528,659	4,310	(78,500)	454,469
	48,647,351	3,291,997	(3,351,929)	48,587,419

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

	Name of Reserve	Purpose of the reserve
(a)	Town Planning Scheme Review	These funds are no longer required to fund the preparation of town planning schemes and were transferred to the Capital Works Reserve.
(b)	Public Car Park Reserve - Cash in Lieu Contributions	To be used to fund the provision of public car parking facilities.
(c)	Waste and Landfill Preservation	To be used to fund expenditure associated with providing a refuse disposal service.
(d)	CLAG - Peel Mosquito Control	To be used to fund the controlling of mosquitos through the Peel Mosquito Management Group.
(e)	Administration and Community Building	To be used to fund capital expenditure on administration and community buildings.
(f)	City Centre Carpark Reserve - Cash in Lieu	To be used to fund the provision of public car parking facilities.
(g)	City Centre Development	To be used to fund the development of the City Centre.

2021 Budget Opening Balance \$	2021 Budget Transfer to \$	2021 Budget Transfer (from) \$	2021 Budget Closing Balance \$	2020 Actual Opening Balance \$	2020 Actual Transfer to \$	2020 Actual Transfer (from) \$	2020 Actual Closing Balance \$
453,062	0	(453,062)	0	444,824	8,610	0	453,434
2,380,352	24,810	0	2,405,162	2,337,069	45,236	0	2,382,305
18,139,174	189,060	0	18,328,234	15,845,711	2,323,492	0	18,169,203
24,430	255	0	24,685	23,986	464	0	24,450
1,136,269	5,006	(1,141,275)	0	1,115,608	21,594	0	1,137,202
262,413	2,735	0	265,148	257,641	4,987	0	262,628
2,772,070	28,892	0	2,800,962	2,721,665	52,681	0	2,774,346
784,006	8,171	0	792,177	769,750	14,899	0	784,649
1,263,904	13,173	0	1,277,077	1,240,922	24,019	0	1,264,941
986,435	10,281	0	996,716	968,498	18,746	0	987,244
687,290	0	(687,290)	0	674,793	13,061	0	687,854
192,579	2,007	0	194,586	189,079	3,660	0	192,738
3,437,987	35,833	0	3,473,820	2,197,293	1,265,758	0	3,463,051
4,916,808	1,203,484	(3,693,903)	2,426,389	4,827,404	93,439	0	4,920,843
6,061,648	63,179	0	6,124,827	5,951,073	115,189	0	6,066,263
4,418,810	1,564,412	(3,857,112)	2,126,110	5,325,548	677,703	(1,670,089)	4,333,162
496,678	5,177	(340,000)	161,855	261,730	11,149	(58,500)	214,379
214,203	2,233	0	216,436	524,588	4,071	0	528,659
48,628,115	3,158,708	(10,172,642)	41,614,181	45,677,182	4,698,758	(1,728,589)	48,647,351

	Name of Reserve	Purpose of the reserve
(h)	Workers Compensation	To be used to fund expenditure associated with workers compensation premiums.
(i)	Anstey Park Shared Costs	To be used to receive developers funds in advance to meet future project costs.
(j)	Legal Fees	To be used to fund expenditure incurred by the City on legal fees.
(k)	Strategic Master Planning	These funds are no longer required to fund strategic planning expenses and will be transferred to the Capital Works Reserve.
(l)	Active Aging Development	To be used to fund expenditure on active aging programs and initiatives.
(m)	Bert England Lodge Capital Works	To be used to fund capital expenditure at Bert England Lodge. This will be transferred upon disposal of the facility.
(n)	Capital Works	To be used to fund capital works and COVID-19 stimulus projects.
(o)	Employee Leave	To be used to fund employee leave entitlements.
(p)	Developer Contributions Scheme	To be used to fund Capital Works and Administration of Scheme.
(q)	Challenger Court	To meet future capital expenditure.
(r)	Life Long Learning	To increase tertiary education opportunities for Rockingham residents as per the City's Learning City Strategy.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

5. Other financial assets

	2021 \$	2020 \$
(a) Current assets		
Financial assets at amortised cost	66,653,718	85,207,513
	66,653,718	85,207,513
Other financial assets at amortised cost		
Term deposits	66,645,487	85,199,758
Self supporting loans	8,231	7,755
	66,653,718	85,207,513
(b) Non-current assets		
Financial assets at amortised cost	22,853	31,083
Financial assets at fair value through profit and loss	129,162	124,637
	152,015	155,720
Financial assets at amortised cost		
Self supporting loans	22,853	31,083
	22,853	31,083

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 18(b) as self supporting loans.

Financial assets at fair value through profit and loss

Unlisted equity investments

Financial assets at fair value through profit and loss - WALGA Housing Trust	129,162	124,637
	129,162	124,637

The movement in the financial assets at fair value through profit and loss of \$4,525 and has been recognised in statement of comprehensive income.

Significant accounting policies

Other financial assets at amortised cost

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 32.

Financial assets at fair value through profit and loss

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

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

6. Trade and other receivables

	2021 \$	2020 \$
Current		
Rates Outstanding	5,099,284	5,972,325
Sundry debtors	3,864,169	4,931,636
GST receivable	718,188	728,501
	9,681,641	11,632,462
Less: Allowance for impairment of receivables	(670,343)	(665,761)
	9,011,298	10,966,701
Non-current		
Pensioner's rates and ESL - Deferred	2,044,928	1,941,665
	2,044,928	1,941,665

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 32.

Classification and subsequent measurement

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.

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

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

7. Inventories

	2021 \$	2020 \$
Current		
Fuel and materials	210,447	241,131
	210,447	241,131

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory	241,131	241,131
	(30,684)	0
Balance at end of year	210,447	241,131

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.



Notes to and forming part of the Financial Report

For the year ended 30 June 2021

8. Discontinued operation and non-current assets held for sale

The City has commenced the process of disposing of Lot 57 Woodbridge Drive, Cooloongup (Bert England Lodge, consisting of the facility, land and business) to an aged care provider. Included is the transfer of the 44 Bert England Lodge aged care places to the successful aged care provider conditional on Federal Government Secretary of Health approval. There has been a delay in the sale, at this stage it is expected that this sale will conclude within the next 12 months.

	2021 \$	2020 \$
a) Operating statement		
The results of the discontinued operations, which have been included in the net results for the year were as follows:		
Revenue	3,529,488	3,433,420
Expenses	(3,845,611)	(3,310,960)
Net result from discontinued operations	(316,123)	122,460
b) Assets and liabilities		
The major classes of assets and liabilities comprising operations classified as held for sale are as follows:		
Current Assets		
Cash and advances - Bert England Lodge	4,840,117	7,915,705
Debtors - Bert England Lodge	841,397	1,393,076
Inventories - Bert England Lodge	0	7,438
Property Plant and Equipment - Bert England Lodge	3,644,031	3,644,031
	9,325,545	12,960,250
Current liabilities		
Sundry Creditors - Bert England Lodge	(4,605,726)	(5,252,333)
	(4,605,726)	(5,252,333)

The City has also commenced disposal of the following leased properties.

- Lot 716 Centaurus Street, Rockingham – Rockingham Park Kindergarden
- Lot 35 Council Avenue – Rockingham Child Care Centre
- Lot 393 Hefron Street – Rockingham Youth Station and Youth Health Services Clinic

The assets and liabilities of these leased properties classified as held for sale are as follows:

	2021 \$
Current Assets	
Property Plant and Equipment - Rockingham Park Kindergarden	212,303
Property Plant and Equipment - Rockingham Child Care Centre	698,020
Property Plant and Equipment - Rockingham Youth Station and Youth Health Services Clinic	247,426
Miscellaneous Infrastructure - Rockingham Park Kindergarden	39,593
	1,197,342
Total Assets - Held for sale	10,522,887
Total Liabilities - Held for sale	(4,605,726)

Significant accounting policies

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable. Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 35(h).

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

9. Property, plant and equipment

	Land \$	Land Infrastructure \$	Buildings \$
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(a) Movements in Balances

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

Balance at 1 July 2019	95,279,769	10,537,365	172,188,172
Additions	0	599,987	4,441,156
(Disposals)	0	0	(310,652)
Impairment (losses) / reversals	0	0	(180,897)
Depreciation (expense)	0	(1,301,370)	(6,085,571)
Assets held for sale - Bert England Lodge	(300,000)	0	(3,344,031)
Transfers	(534,700)	0	534,700
Balance at 30 June 2020	94,445,069	9,835,982	167,242,877

Comprises:

Gross carrying amount at 30 June 2020	94,445,069	15,054,172	186,154,575
Accumulated depreciation at 30 June 2020	0	(5,218,190)	(18,671,711)
Accumulated impairment loss at 30 June 2020	0		(239,987)
Balance at 30 June 2020	94,445,069	9,835,982	167,242,877
Additions	0	51,478	6,058,039
(Disposals)	0	0	0
Impairment (losses) / reversals	0	0	(227,609)
Depreciation (expense)	0	(1,301,368)	(6,086,020)
Assets held for sale	(270,000)	0	(887,750)
Transfers	0	0	(21,838)
Balance at 30 June 2021	94,175,069	8,586,092	166,077,699

Comprises:

Gross carrying amount at 30 June 2021	94,175,069	16,758,144	191,050,566
Accumulated depreciation at 30 June 2021	0	(8,172,052)	(24,505,271)
Accumulated impairment loss at 30 June 2021	0	0	(467,596)
Balance at 30 June 2021	94,175,069	8,586,092	166,077,699

Furniture and equipment \$	Plant and equipment \$	Miscellaneous Assets \$	Total property, plant and equipment \$
1,647,703	11,623,207	579,096	291,855,312
1,353,124	7,887,714	68,390	14,350,371
(13,730)	(1,938,907)	0	(2,263,289)
0	0	0	(180,897)
(344,783)	(2,696,735)	(11,882)	(10,440,341)
0	0	0	(3,644,031)
0	0	0	0
2,642,314	14,875,279	635,604	289,677,125
4,428,040	22,528,930	657,838	323,268,624
(1,785,726)	(7,653,651)	(22,234)	(33,351,512)
0	0	0	(239,987)
2,642,314	14,875,279	635,604	289,677,125
1,375,816	3,505,087	98,875	11,089,295
0	(1,212,863)	0	(1,212,863)
0	0	0	(227,609)
(597,552)	(2,810,638)	(12,362)	(10,807,940)
0	0	0	(1,157,750)
0	0	0	(21,838)
3,420,578	14,356,865	722,117	287,338,420
5,803,856	23,216,435	756,717	331,760,787
(2,383,278)	(8,859,570)	(34,600)	(43,954,771)
0	0	0	(467,596)
3,420,578	14,356,865	722,117	287,338,420

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

9. Property, plant and equipment (continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value Land and Building					
Land					
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 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 City of Rockingham. 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

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(b) Fair Value Measurements					
(ii) Cost					
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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

10. Infrastructure

	Infrastructure - Roads, Footpaths and drainage \$	Other infrastructure \$	Total Infrastructure \$
(a) Movements in Carrying Amounts			

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

Balance at 1 July 2019	1,686,961,674	124,348,849	1,811,310,523
Additions	19,503,382	21,991,074	41,494,456
Impairment (losses) / reversals	(487,726)	(910,387)	(1,398,113)
Depreciation (expense)	(20,801,173)	(8,209,802)	(29,010,975)
Balance at 30 June 2020	1,685,176,157	137,219,734	1,822,395,891

Comprises:

Gross balance at 30 June 2020	1,726,910,023	153,933,736	1,880,843,759
Accumulated depreciation at 30 June 2020	(41,207,722)	(15,143,438)	(56,351,160)
Accumulated impairment loss at 30 June 2020	(526,144)	(1,570,564)	(2,096,708)
Balance at 30 June 2020	1,685,176,157	137,219,734	1,822,395,891
Additions	23,617,657	15,421,129	39,038,786
Impairment (losses) / reversals	(48,881)	(715,015)	(763,896)
Depreciation (expense)	(20,991,228)	(7,688,711)	(28,679,939)
Assets held for sale - Various Leased Properties	0	(39,594)	(39,594)
Transfers	0	21,838	21,838
Balance at 30 June 2021	1,687,753,705	144,219,381	1,831,973,086

Comprises:

Gross balance at 30 June 2021	1,750,527,678	169,327,496	1,919,855,174
Accumulated depreciation at 30 June 2021	(62,198,948)	(22,822,537)	(85,021,485)
Accumulated impairment loss at 30 June 2021	(575,025)	(2,285,578)	(2,860,603)
Carrying amount at 30 June 2021	1,687,753,705	144,219,381	1,831,973,086

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(b) Carrying Value Measurements					
(i) Fair Value					
Infrastructure - Roads					
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	30 June 2018	Current condition and remaining useful life assessments.
Footpaths and Crossovers					
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	30 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 an external consultant under similar guidelines. Quantity, condition and unit rates data are highly reliable.
Drainage					
Management valuation 2018	3	Cost Approach - Depreciated replacement cost	Management valuation	30 June 2018	All the pits and pipes condition assessments were carried out by an external consultant where quantity and condition data are uncertain.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

10. Infrastructure (continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(b) Fair Value Measurements (continued)					
Drainage					
Management valuation 2018	2	Cost Approach - Depreciated replacement cost	Management valuation	30 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	30 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 market 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	30 June 2018	All inspections were carried out by the City's 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 2 and 3 inputs.



Notes to and forming part of the Financial Report

For the year ended 30 June 2021

11. Fixed assets

Significant accounting policies

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$	2021 Budget Net Book Value \$
(a) Disposals of Assets					
Buildings	0	0	0	0	0
Furniture and equipment	0	0	0	0	0
Plant and equipment	1,212,863	890,317	172,867	(495,413)	(1,767,503)
	1,212,863	890,317	172,867	(495,413)	(1,767,503)

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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 land, buildings, infrastructure, investment properties and vested improvements 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 roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right-of-use assets).

2021 Budget Sale Proceeds \$	2021 Budget Profit \$	2021 Budget Loss \$	2020 Actual Net Book Value \$	2020 Actual Sale Proceeds \$	2020 Actual Profit \$	2020 Actual Loss \$
0	0	0	310,652	0	0	(310,652)
0	0	0	13,730	0	0	(13,730)
1,418,300	3,575,616	(389,813)	1,938,907	1,589,842	308,965	(658,030)
1,418,300	3,575,616	(389,813)	2,263,289	1,589,842	308,965	(982,412)

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

11. Fixed assets (continued)

	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
(a) Disposals of Assets (continued)				
The following assets were disposed of during the year:				
Plant and Equipment				
Governance	29,916	48,219	18,303	0
Law, order, public safety	91,303	172,931	81,628	0
Health	24,938	33,123	8,185	0
Community amenities	858,303	362,890	0	(495,413)
Recreation and culture	2,968	11,508	8,540	0
Economic services	6,185	14,223	8,038	0
Other property and services	199,250	247,423	48,173	0
	1,212,863	890,317	172,867	(495,413)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(b) Depreciation			
Buildings	6,086,020	1,569,522	6,085,571
Land Infrastructure	1,301,368	6,408,172	1,301,370
Furniture and Equipment	597,552	85,492	344,783
Plant and Equipment	2,810,638	2,648,336	2,696,735
Miscellaneous Assets	12,362	0	11,882
Computer Equipment	0	568,025	0
Infrastructure - Roads, Footpaths and Drainage	20,991,228	20,680,921	20,801,173
Other Infrastructure	7,688,711	5,825,851	8,209,802
Intangible Asset	580,175	0	580,175
Right-of-use assets - buildings	207,966	0	207,966
	40,276,020	37,786,319	40,239,457
Assets held for sale - Discontinued Operations	0	0	(28,972)
	40,276,020	37,786,319	40,210,485

	2021 Actual \$	2021 Budget \$	2020 Actual \$
(c) Impairment			
Buildings	227,609	0	180,898
Drainage	5,053	0	20,424
Footpaths and Crossovers	6,669	0	246,820
Miscellaneous Infrastructure	0	0	129,231
Parks Reserves and Foreshore	715,015	0	781,156
Roads	37,159	0	220,481
	991,505	0	1,579,010

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

11. Fixed assets (continued)

Significant accounting policies

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation rates

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

Asset Class	Useful Life
Land Infrastructure	5 to 40 years
Buildings	20 to 50 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	4 to 10 years
Miscellaneous Assets	50 to 80 years
Infrastructure - Roads Footpaths and Drainage	10 to 100 years
Other Infrastructure	10 to 80 years
Amortisation rates	
Computer software	4 to 5 years
Landfill assets	28 years

Depreciation on revaluation

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:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

12. Leases

	Right-of-use assets Buildings	Right-of-use assets Total
--	-------------------------------------	---------------------------------

(a) Right-of-use Assets

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

Right-of-use assets - buildings

Balance at 1 July 2019	1,039,830	1,039,830
Depreciation (expense)	(207,966)	(207,966)
Balance at 30 June 2020	831,864	831,864
Depreciation (expense)	(207,966)	(207,966)
Balance at 30 June 2021	623,898	623,898

	2021 Actual \$	2020 Actual \$
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(a) Right-of-use Assets

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

Right-of-use assets - buildings

Interest expense on lease liabilities	21,666	19,861
Lease principal expense	226,872	207,966
Total cash outflow from leases	248,538	227,827

Total cash outflow from leases	(248,538)	(227,827)
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The right-of-use assets relates to a library lease which is for a five year term from Murdoch University, the Lessor. There is no provision under the lease for purchase of assets at the end of the lease term. This lease asset is un-secured.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

12. Leases (continued)

Significant accounting policies

Leases

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

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

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

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

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

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

13. Intangible assets

	2021 Actual \$	2020 Actual \$
(a) Rehabilitation Assets		
Non-current		
Waste landfill	7,240,101	7,240,101
Less: accumulated depreciation	(536,304)	(268,152)
Movements in carrying amounts of waste landfill assets during the financial year are shown as follows:	6,703,797	6,971,949
Carrying amount at 30 June	6,971,949	7,240,101
Amortisation expense	(268,152)	(268,152)
Carrying amount at 30 June	6,703,797	6,971,949
(b) Computer Software		
Non-current		
Computer software	1,215,566	1,215,566
Less: accumulated depreciation	(624,046)	(312,023)
Movements in balances of computer software during the financial year are shown as follows:	591,520	903,543
Balance at 30 June	903,543	1,215,566
Amortisation expense	(312,023)	(312,023)
Balance at 30 June	591,520	903,543
Total intangible assets	7,295,317	7,875,492

Significant accounting policies

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Landfill assets

The establishment of a landfill facility will result in the acquisition/construction of a range of site improvements that are necessary for the appropriate functioning and control of the facility. This includes cost incurred directly in relation to the construction of individual landfill cells.

Upon commencement of a landfill these assets are to be recognised in accordance with council's asset recognition policy. Assets are to be depreciated over the life of the asset to council, or the life of the landfill site, whichever is the shorter.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

14. Revaluation surplus

	2021 Opening Balance \$	2021 Reclassification \$	2021 Closing Balance \$	2020 Opening Balance \$	2020 Closing Balance \$
Revaluation surplus - Land and Land Infrastructure	63,707,098	(7,000,000)	56,707,098	63,707,098	63,707,098
Revaluation surplus - Buildings	85,343,086	0	85,343,086	85,343,086	85,343,086
Revaluation surplus - Furniture and equipment	3,554,563	0	3,554,563	3,554,563	3,554,563
Revaluation surplus - Plant and equipment	2,311,533	0	2,311,533	2,311,533	2,311,533
Revaluation surplus - Miscellaneous Assets	160,428	0	160,428	160,428	160,428
Revaluation surplus - Intangible PPE	1,491,971,187	0	1,491,971,187	1,491,971,187	1,491,971,187
Revaluation surplus - Other infrastructure	49,475,614	0	49,475,614	49,475,614	49,475,614
	1,696,523,509	(7,000,000)	1,689,523,509	1,696,523,509	1,696,523,509

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

Revaluation Surplus of \$7M had been reclassified to Retained Surplus. This amount relates to transfer of Challenger Facility (Aged Care) assets at the time of original recognition that had, at that time, been inadvertently recognised in Revaluation Surplus.

15. Trade and other payables

	2021 \$	2020 \$
Current		
Sundry creditors	12,249,253	8,012,230
Rates received in advance	4,251,848	3,545,722
Accrued salaries and wages	1,352,599	1,082,648
Bonds and deposits held	2,895,927	1,805,089
Accrued interest on long term liabilities	44,111	52,386
Capital grants liabilities	6,446,789	6,715,467
	27,240,527	21,213,542

Capital grants liabilities comprises of developer contribution \$4,042,847 and cash in lieu of parking \$2,403,942.

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.

Prepaid rates

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

16. Contract liabilities

	2021 \$	2020 \$
Current		
Contract liabilities from contracts with customers		
Unspent grants, contributions and reimbursements	4,456,814	818,692
	4,456,814	818,692

Significant accounting policies

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the City's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the City. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.



Notes to and forming part of the Financial Report

For the year ended 30 June 2021

17. Lease liabilities

	2021 \$	2020 \$
(a) Lease Liabilities		
Current	226,872	226,872
Non-current	378,120	604,992
	604,992	831,864

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2020 \$	30 June 2021 Actual Lease Principal Repayments \$	30 June 2021 Actual Lease Principal Outstanding \$	30 June 2021 Actual Lease Interest Repayments \$
(b) Movements in Carrying Amounts								
Recreation and culture								
Rockingham Library Lease	#1	Murdoch University	2.00%	55 months	831,864	(226,872)	604,992	(21,666)
					831,864	(226,872)	604,992	(21,666)

18. Information on borrowings

	2021 \$	2020 \$
(a) Borrowings		
Current	1,217,508	1,146,109
Non-current	6,627,393	7,844,901
	7,844,901	8,991,010

Budget Lease Principal 1 July 2020 \$	30 June 2021 Budget Lease Principal Repayments \$	30 June 2021 Budget Lease Principal Outstanding \$	30 June 2021 Budget Lease Interest Repayments \$	Actual Lease Principal 1 July 2019 \$	30 June 2020 Actual Lease Principal Repayments \$	30 June 2020 Actual Lease Principal Outstanding \$	30 June 2020 Actual Lease Interest Repayments \$
812,958	(226,872)	586,086	0	1,039,830	(207,966)	831,864	(19,861)
812,958	(226,872)	586,086	0	1,039,830	(207,966)	831,864	(19,861)

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

18. Information on borrowings (continued)

	Institution	Actual Principal 1 July 2020 \$	30 June 2021 Actual Principal repayments \$	30 June 2021 Actual Interest repayments \$	30 June 2021 Actual Principal outstanding \$	Budget Principal 1 July 2020 \$
(b) Repayments - Borrowings						
Particulars						
Law, order, public safety						
Loan No. 263 - Dog Pound	WATC	461,000	(44,006)	(33,361)	416,994	461,000
Recreation and culture						
Loan No. 242 - Rockingham Bowling Club	WATC	25,554	(16,766)	(1,090)	8,788	25,554
Loan No. 244J - Warnbro Recreation Centre	WATC	319,356	(121,091)	(19,629)	198,265	319,356
Loan No. 245 (1) - Waterfront Village	WATC	183,497	(32,561)	(9,516)	150,936	183,497
Loan No. 245 (2) - Waterfront Village	WATC	185,334	(32,765)	(10,155)	152,569	185,334
Loan No. 245 (3) - Waterfront Village	WATC	187,580	(33,012)	(10,811)	154,568	187,580
Loan No. 245 (4) - Waterfront Village	WATC	184,011	(32,618)	(10,159)	151,393	184,011
Loan No. 252 (1) - Larkhill Development	WATC	183,497	(32,561)	(9,516)	150,936	183,497
Loan No. 252 (2) - Larkhill Development	WATC	278,002	(49,148)	(15,233)	228,854	278,002
Loan No. 252 (3) - Larkhill Development	WATC	187,581	(33,012)	(10,811)	154,569	187,581
Loan No. 264 (1) - Larkhill Regional Sporting Complex	WATC	368,015	(65,234)	(20,319)	302,781	368,015
Loan No. 270B - Larkhill Development	WATC	219,483	(31,086)	(13,499)	188,397	219,483
Loan No. 274 - Larkhill Development	WATC	1,271,123	(146,937)	(84,404)	1,124,186	1,271,123
Loan No. 275 - Larkhill Development	WATC	1,440,630	(137,516)	(104,252)	1,303,114	1,440,630
Loan No. 276 - Larkhill Development	WATC	3,457,508	(330,041)	(250,207)	3,127,467	3,457,510
Loan - Baldivis District Sporting Complex Stage 1		0	0	0	0	0
Loan - Baldivis Indoor Recreation Centre		0	0	0	0	0
Loan - Koorana Reserve		0	0	0	0	0
Economic services						
Loan No. 280 - Shoalwater Underground Power		0	0	0	0	0
		8,952,171	(1,138,354)	(602,962)	7,813,817	8,952,173
Self Supporting Loans						
Recreation and culture						
Loan No. 212 (1) - R'ham Entertainers	WATC	38,839	(7,755)	(2,058)	31,084	38,839
		38,839	(7,755)	(2,058)	31,084	38,839
Loan Interest Accrued (included in current liabilities)		0	0	0	0	0
Total loan repayments including accrued interest		8,991,010	(1,146,109)	(605,020)	7,844,901	8,991,012

* WA Treasury Corporation

30 June 2021 Budget New Loans \$	30 June 2021 Budget Principal repayments \$	30 June 2021 Budget Interest repayments \$	30 June 2021 Budget Principal outstanding \$	Actual Principal 1 July 2019 \$	30 June 2020 Actual Principal repayments \$	30 June 2020 Actual Interest repayments \$	30 June 2020 Actual Principal outstanding \$
0	(44,006)	(33,495)	416,994	501,906	(40,906)	(35,065)	461,000
0	(16,766)	(1,350)	8,788	41,296	(15,742)	(1,718)	25,554
0	(121,091)	(20,302)	198,265	432,276	(112,920)	(25,957)	319,356
0	(32,560)	(10,353)	150,937	214,218	(30,721)	(6,711)	183,497
0	(32,765)	(10,778)	152,569	216,194	(30,860)	(8,575)	185,334
0	(33,012)	(11,306)	154,568	218,606	(31,026)	(10,017)	187,580
0	(32,617)	(10,470)	151,394	214,771	(30,760)	(10,279)	184,011
0	(32,560)	(10,353)	150,937	214,218	(30,721)	(6,711)	183,497
0	(49,147)	(16,167)	228,855	324,292	(46,290)	(12,862)	278,002
0	(33,012)	(11,306)	154,569	218,607	(31,026)	(10,017)	187,581
0	(65,235)	(20,941)	302,780	429,535	(61,520)	(20,558)	368,015
0	(31,086)	(13,515)	188,397	248,677	(29,194)	(15,277)	219,483
0	(146,936)	(84,845)	1,124,187	1,408,462	(137,339)	(90,212)	1,271,123
0	(137,518)	(104,672)	1,303,112	1,568,460	(127,830)	(109,577)	1,440,630
0	(330,043)	(251,212)	3,127,467	3,764,303	(306,795)	(262,984)	3,457,508
10,000,000	0	0	10,000,000	0	0	0	0
17,000,000	0	0	17,000,000	0	0	0	0
3,500,000	0	0	3,500,000	0	0	0	0
0	0	0	0	0	0	0	0
30,500,000	(1,138,354)	(611,064)	38,313,819	10,015,819	(1,063,648)	(626,521)	8,952,171
0	(7,755)	(2,230)	31,084	46,146	(7,307)	(1,662)	38,839
0	(7,755)	(2,230)	31,084	46,146	(7,307)	(1,662)	38,839
0		0	0	0	0	(52,386)	52,386
30,500,000	(1,146,109)	(613,294)	38,344,903	10,061,965	(1,070,955)	(680,569)	9,043,396

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

18. Information on borrowings (continued)

	2021 \$	2020 \$
(c) New Borrowings - 2020/2021		

There were no new borrowings during the year 2021. (2020 - NIL)

(d) Unspent Borrowings

There are no unspent borrowings as at 30 June 2021. (30 June 2020 - NIL)

	2021 \$	2020 \$
(e) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	500,000	500,000
Credit card balance at balance date	(138,795)	(121,082)
Total amount of credit unused	611,205	628,918

Loan facilities

Loan facilities - current	1,217,508	1,146,109
Loan facilities - non-current	6,627,393	7,844,901
Lease liabilities - current	226,872	226,872
Lease liabilities - non-current	378,120	604,992
Total facilities in use at balance date	8,449,893	9,822,874

Unused loan facilities at balance date

Unused loan facilities at balance date	NIL	NIL
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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.

Risk

Information regarding exposure to risk can be found at Note 32.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

19. Employee related provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Sick Leave	Total \$
Opening balance at 1 July 2020				
Current provisions	4,471,344	3,524,840	1,588,565	9,584,749
Non-current provisions	0	1,501,064	0	1,501,064
	4,471,344	5,025,904	1,588,565	11,085,813
Additional provision	111,584	1,002,307	30,613	1,144,504
Balance at 30 June 2021	4,582,928	6,028,211	1,619,178	12,230,317
Comprises				
Current	4,582,928	4,818,739	1,619,178	11,020,845
Non-current	0	1,209,472	0	1,209,472
	4,582,928	6,028,211	1,619,178	12,230,317

	2021 \$	2020 \$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	11,020,845	9,584,749
More than 12 months from reporting date	1,209,472	1,501,064
	12,230,317	11,085,813

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

Significant accounting policies

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

20. Other provisions

	Provision for Millar Road Facility \$	Total \$
Opening balance at 1 July 2020		
Non-current provisions	9,604,647	9,604,647
	9,604,647	9,604,647
Additional provision	268,260	268,260
Balance at 30 June 2021	9,872,907	9,872,907
Comprises		
Non-current	9,872,907	9,872,907
	9,872,907	9,872,907

Provision for Millar Road Facility

The Millar Road Landfill Facility was granted approval under the Environmental Protection Act 1986 on 1 July 1992 subject to conditions that the City is responsible for construction, operation, decommissioning and post-closure management of the site until such time as the waste has fully degraded, to the satisfaction of the Environmental Protection Authority. The Provision for Rehabilitation has been calculated based on an anticipated operational life of 30 years with a 30 year post-closure management period. The expected requirements for the final decommissioning and post-closure management plan are based on current regulatory and industry experience.

21. Notes to the statement of cash flows

	2021 Actual \$	2021 Budget \$	2020 Actual \$
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:			
Cash and cash equivalents	50,743,510	50,240,162	17,372,492
Reconciliation of Net Cash Provided by Operating Activities to Net Result			
Net result	11,768,403	(12,231,863)	16,554,426
Less: Non Cash Contribution	(11,227,292)	0	(21,469,231)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(4,525)	0	(2,017)
Depreciation on non-current assets	40,276,020	37,786,319	40,239,457
(Profit)/loss on sale of asset	322,546	(3,185,803)	673,447
Loss on Impairment	991,505	0	1,579,010
Share of profits of associates and joint ventures	19,392	0	5,964
Changes in assets and liabilities:			
(Increase)/decrease in other liability	(646,607)	0	0
(Increase)/decrease in GST			
(Increase)/decrease in receivables	1,832,747	(49,746)	(10,942,020)
(Increase)/decrease in other assets	559,119	0	0
(Increase)/decrease in inventories	30,684	(21,466)	(50,538)
(Increase)/decrease in contract assets	(807,418)	0	
Increase/(decrease) in payables	6,026,985	118,370	18,483,155
Increase/(decrease) in employee provisions	1,144,504	0	0
Increase/(decrease) in provisions	268,260	(164,020)	337,100
Increase/(decrease) in contract liabilities	3,638,122	(4,860,879)	818,692
Non-operating grants, subsidies and contributions	(11,563,958)	(7,910,253)	(5,136,729)
Net cash from operating activities	42,628,487	9,480,659	41,090,716

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

22. Total assets classified by function and activity

	2021 \$	2020 \$
Governance	22,899,475	23,518,747
Law, order, public safety	7,487,121	7,599,110
Health	1,345,652	1,399,630
Education and welfare	25,788,095	26,087,689
Housing	12,606,915	12,779,805
Community amenities	29,330,066	32,041,121
Recreation and culture	280,427,179	280,639,468
Transport	1,684,290,057	1,683,794,630
Economic services	4,704,970	4,877,082
Other property and services	37,113,464	36,740,775
Unallocated	156,543,831	132,232,082
	2,262,536,825	2,241,710,139

23. Contingent liabilities

'The City of Rockingham has no contingent liabilities as at 30 June 2021. (2020; NIL)

24. Capital and Leasing Commitments

	2021 \$	2020 \$
Capital Expenditure Commitments		
Contracted for: Capital Expenditure Projects		
Road Construction	2,032,234	1,902,644
Building Land and Fixed Equipment	21,214,395	2,724,666
Reserve and Infrastructure	6,957,832	1,454,918
Plant, Machinery and Equipment - Various	401,047	1,784,081
Computer and Furniture Equipment	140,697	93,185
Footpaths and Crossovers	127,583	381,965
Miscellaneous Infrastructure - Plant and Equipment Purchases	2,958,005	562,834
Total	33,831,793	8,904,293
Comprises of:		
Payable - Not later than one year	33,831,793	8,904,293

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

25. Elected members remuneration

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member Mayor Barry Sammels			
Mayor's annual allowance	87,550	90,000	87,550
Meeting attendance fees	46,350	47,500	46,350
Other expenses	0	500	0
Telecommunications and ICT Allowance	3,500	5,000	3,500
Travel and accommodation expenses	3,481	5,000	4,055
	140,881	148,000	141,455

Elected member Deputy Mayor Deb Hamblin			
Deputy Mayor's annual allowance	21,888	23,000	21,888
Meeting attendance fees	30,900	31,500	30,900
Other expenses	0	450	75
Telecommunications and ICT Allowance	3,500	3,500	3,500
Travel and accommodation expenses	1,258	2,500	1,627
	57,546	60,950	57,990

Elected member Sally Davies			
Meeting attendance fees	30,900	31,500	21,461
Other expenses	0	450	0
Telecommunications and ICT Allowance	3,500	3,500	2,431
Travel and accommodation expenses	0	2,500	0
	34,400	37,950	23,892

Elected member Hayley Edwards			
Meeting attendance fees	30,900	31,500	21,461
Other expenses	0	450	0
Telecommunications and ICT Allowance	3,500	3,500	2,431
Travel and accommodation expenses	1,310	2,500	916
	35,710	37,950	24,808

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member Lorna Buchan			
Meeting attendance fees	30,900	31,500	21,461
Other expenses	0	450	77
Telecommunications and ICT Allowance	3,500	3,500	2,431
Travel and accommodation expenses	2,955	2,500	1,366
	37,355	37,950	25,335

Elected member Mark Jones			
Meeting attendance fees	30,900	31,500	30,900
Other expenses	205	450	414
Telecommunications and ICT Allowance	3,500	3,500	3,500
Travel and accommodation expenses	749	2,500	727
	35,354	37,950	35,542

Elected member Joy Stewart			
Meeting attendance fees	30,900	31,500	29,950
Other expenses	0	450	0
Telecommunications and ICT Allowance	3,500	3,500	3,488
Travel and accommodation expenses	509	2,500	0
	34,909	37,950	33,438

Elected member Leigh Liley			
Meeting attendance fees	30,900	31,500	30,900
Other expenses	0	450	0
Telecommunications and ICT Allowance	3,500	3,500	3,500
Travel and accommodation expenses	0	2,500	0
	34,400	37,950	34,400

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

25. Elected members remuneration (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member Craig Buchanan			
Meeting attendance fees	30,900	31,500	21,461
Other expenses	0	450	0
Telecommunications and ICT Allowance	3,500	3,500	2,431
Travel and accommodation expenses	409	2,500	472
	34,809	37,950	24,364

Elected member Rae Cottam			
Meeting attendance fees	30,900	31,500	21,461
Other expenses	0	450	469
Telecommunications and ICT Allowance	3,500	3,500	2,431
Travel and accommodation expenses	804	2,500	1,051
	35,204	37,950	25,412

Elected member Matthew Whitfield (resigned 31 March 2021)			
Meeting attendance fees	23,175	31,500	30,900
Other expenses	0	450	0
Telecommunications and ICT Allowance	2,625	3,500	3,500
Travel and accommodation expenses	0	2,500	264
	25,800	37,950	34,664

Elected member Andrew Burns (to 19 September 2019)			
Meeting attendance fees	0	0	9,333
Telecommunications and ICT Allowance	0	0	1,057
Travel and accommodation expenses	0	0	1,546
	0	0	11,936

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member Lee Downham (to 19 September 2019)			
Meeting attendance fees	0	0	9,333
Telecommunications and ICT Allowance	0	0	1,057
	0	0	10,391
Elected member Chris Elliott (to 19 September 2019)			
Meeting attendance fees	0	0	9,333
Telecommunications and ICT Allowance	0	0	1,057
Travel and accommodation expenses	0	0	1,037
	0	0	11,427
Elected member Katherine Summers (to 19 September 2019)			
Meeting attendance fees	0	0	9,333
Telecommunications and ICT Allowance	0	0	1,057
	0	0	10,390
Combined elected members remuneration			
Total	506,369	550,500	505,440

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

26. Related party transactions

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected Members Remuneration			
Mayor's allowance	87,550	90,000	87,550
Deputy Mayor's allowance	21,888	23,000	21,888
Meeting attendance fees	347,625	362,500	344,537
Child care expenses	0	0	0
Other expenses	205	5,000	1,034
Telecommunications and ICT Allowance	37,625	40,000	37,371
Annual allowance for ICT expenses	0	0	0
Travel and accommodation expenses	11,476	30,000	13,060
	506,369	550,500	505,440

	2021 Actual \$	2020 Actual \$
Key Management Personnel (KMP) Compensation Disclosure		
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	6,147,239	6,643,438
Post-employment benefits	716,768	770,456
Other long-term benefits	108,343	134,696
Termination benefits	47,413	72,632
	7,019,763	7,621,222

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.

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 (Note: may or may not be applicable in any given year).

	2021 Actual \$	2020 Actual \$
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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:

Sale of goods and services	0	0
Purchase of goods and services	2,141,872	2,395,054
Short term employee benefits - other related parties	0	0

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	0
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.
- ii. *Other Related Parties*
An associate person of KMP was employed by the City under normal employment terms and conditions.
- iii. *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.
- iv. *Joint venture entities accounted for under the proportionate consolidation method*
The City has an interest in the South West Group. The City's share in the net assets of the group joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 27.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

27. Notes to the statement of cash flows

	2021 \$	2020 \$
Joint Venture Arrangements		
The City is a member participant in a project for the South West Group with the Cities of Cockburn, Fremantle, Kwinana, 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. The City's share in the net assets of the South West Group was:		
Amount of Interest	55,473	74,865
Cost/Project Sharing Ratio	23.86%	23.86%

The interest amount consist of unspent monies at end of year. The movement of the interest value during the year is \$19,392 which has been recognised in statement of comprehensive income.

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 ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

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.

28. Major Land Transactions

There were no major land transactions during the year 2021. (2020-NIL)

29. 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 Millar Road Landfill Facility.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating			
Operating Revenue			
Landfill Operations	16,323,783	15,540,314	15,084,508
Transfer Station	4,009,051	3,320,000	3,717,476
Recycling Operations	455,153	522,000	603,131
	20,787,987	19,382,314	19,405,115
Operating Expenditure			
Landfill Operations	(13,372,696)	(11,201,460)	(13,757,511)
Transfer Station	(1,717,337)	(1,872,534)	(1,723,664)
Recycling Operations	(503,497)	(596,646)	(501,529)
	(15,593,530)	(13,670,640)	(15,982,704)
Net Operating Result	5,194,457	5,711,674	3,422,411
Non Operating			
Non Operating Revenue			
Landfill Operations	80,421	300,200	302,114
Transfer Station	0	0	0
Recycling Operations	0	0	0
	80,421	300,200	302,114
Non Operating Expenditure			
Landfill Operations	(440,355)	(3,454,549)	(4,184,469)
Transfer Station	0	0	0
Recycling Operations	0	0	0
	(440,355)	(3,454,549)	(4,184,469)
Net Capital Movement	(359,934)	(3,154,349)	(3,882,355)
Net Overall Result	4,834,523	2,557,325	(459,944)

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

30. Rating information

Differential general rate / general rate	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$
(a) Rates				
Gross rental valuations				
Residential	8.497	32,828	560,891,121	47,658,925
Non Residential	9.307	1,326	188,954,893	17,586,032
Unimproved valuations				
Unimproved properties	0.1035	156	350,320,000	362,581
Sub-Total		34,310	1,100,166,014	65,607,538

Minimum payment	Minimum \$			
Gross rental valuations				
Residential	1,200	21,413	250,947,547	25,695,600
Non Residential	1,200	266	770,622	319,200
Unimproved valuations				
Unimproved properties	625	132	52,481,483	82,500
Sub-Total		21,811	304,199,652	26,097,300

	56,121	1,404,365,666	91,704,838
Written off (Note 31(b))			
Total amount raised from general rate			

Significant accounting policies

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

	2020/21 Actual Interim Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
	632,899	48,291,824	47,636,558	400,000	48,036,558	49,120,917
	172,403	17,758,435	17,535,776	150,000	17,685,776	17,467,460
	(9,346)	353,235	362,581	0	362,581	363,586
	795,956	66,403,494	65,534,915	550,000	66,084,915	66,951,963
	0	25,695,600	25,722,000	0	25,722,000	24,187,200
	0	319,200	319,200	0	319,200	332,400
	0	82,500	83,125	0	83,125	83,750
	0	26,097,300	26,124,325	0	26,124,325	24,603,350
	795,956	92,500,794	91,659,240	550,000	92,209,240	91,555,313
		(846,773)			0	(5,351)
		91,654,021			92,209,240	91,549,962

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

30. Rating information (continued)

Rate or fee discount granted	Type	Discount %	2021 Actual	2021 Budget	2020 Actual
(b) Discounts, Incentives, Concessions, and Write-offs					
Rates written off		N/A	11,452	0	5,351
Circumstances in which Discount is Granted:					
Small balances of unclaimed interest.					
			11,452	0	5,351

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted

GRV - Residential Rates	Concession	N/A	835,321	840,000	0
Total discounts/concessions (Note 30(a))			846,773	840,000	5,351

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Reasons for the Waiver or Concession
GRV - Residential Rates	That Council applies a concession on properties rated on the Gross Rental Value – Residential differential general rate, where the 2020/2021 rates are more than would have applied on 30 June 2020 based on the 2019/2020 Gross Rental Value – Residential differential general rate, to the value of the calculated rates increase.	The City committed to a rates freeze for 2020/2021 due to the COVID-19 pandemic. The concession is to ensure that residential properties are not charged more rates than they would have paid in 2019/2020.

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
(c) Interest Charges and Instalments				

Option One

To pay the total amount of rates and charges included on the rate notice in full by 21 August 2021, the 38th day after the rates notice issue date.

Option Two

First instalment	21-Aug-20	NIL	NIL	8%
Second instalment	21-Dec-20	NIL	NIL	8%

Option Three

First instalment	21-Aug-20	NIL	NIL	8%
Second instalment	21-Oct-20	NIL	NIL	8%
Third instalment	21-Dec-20	NIL	NIL	8%
Fourth instalment	22-Feb-21	NIL	NIL	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Unpaid rates, ESL and service charge interest earned	189,168	325,000	644,436
Interest on instalment plan	0	0	588,687
Charges on instalment plan	0	0	146,748
Pensioner Deferred Rate interest	0	0	34,698
	189,168	325,000	1,414,570

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

31. Rate setting statement information

	Note	2020/2021 (30 June 2021 Carried Forward) \$	2020/2021 (1 July 2020 Brought Forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	11(a)	(172,867)	(308,965)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,525)	(2,017)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		19,392	5,964
Movement in pensioner deferred rates (non-current)		(103,263)	(189,832)
Movement in employee benefit provisions (non-current)		(291,592)	(260,184)
Add: Movement in provision for rehabilitation (non current)		268,259	349,344
Add: Loss on disposal of assets	11(a)	495,413	982,412
Add: Depreciation on non-current assets	11(b)	40,276,020	40,239,457
Add: Movement in employee benefit provisions (current)		1,436,096	247,940
Add: Impairment of Assets		991,505	1,579,010
Less: Purchase/Construction of Non Cash Assets		(11,227,292)	(22,509,061)
Less: Movement in other provisions and accruals		(324,588)	(624,420)
Non cash amounts excluded from operating activities		31,362,558	19,509,648

		2020/2021 (30 June 2021 Carried Forward) \$	2020/2021 (1 July 2020 Brought Forward) \$
	Note		
(b) Surplus/(deficit) after imposition of general rates			

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserves - cash backed	4	(48,587,419)	(48,647,351)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(8,231)	(7,755)
Less: Current assets not expected to be received at end of year			
- Assets Held For Sale		(4,841,373)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	18(a)	1,217,508	1,146,109
- Current portion of lease liabilities		226,872	226,872
- Employee benefit provisions		9,401,667	7,996,184
- Capital Grant Liabilities		6,446,789	6,715,467
- Contract Liability - current portion		4,456,814	818,692
- Other current liabilities not expected to be cleared at end of year			
Total adjustments to net current assets		(31,687,373)	(31,751,782)

Net current assets used in the Rate Setting Statement

Total current assets	133,109,161	118,832,382
Less: Total current liabilities	(48,768,292)	(38,242,297)
Less: Total adjustments to net current assets	(31,687,373)	(31,751,782)
Net current assets used in the Rate Setting Statement	52,653,496	48,838,303

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

32. Financial risk management

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. The City is not utilising any short term overdraft facility.

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.50%	45,903,393	0	44,929,561	973,832
Financial assets at amortised cost - term deposits	0.75%	66,645,487	66,645,487	0	0
2020					
Cash and cash equivalents	0.50%	9,456,787	0	7,487,000	1,969,787
Financial assets at amortised cost	1.17%	85,199,757	85,199,757	0	0

Sensitivity

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,125,571	946,565

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 18(b).

* Holding all other variables constant

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

32. Financial risk management (continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is 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 applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Total \$
30 June 2021	
Rates receivable	
Expected credit loss	
Gross carrying amount	7,144,212
Loss allowance	(62,345)
30 June 2020	
Rates receivable	
Expected credit loss	
Gross carrying amount	7,913,990
Loss allowance	(62,345)

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

Contract Assets

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

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
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30 June 2021

Trade and other receivables					
Expected credit loss					
Gross carrying amount	1,915,717	186,756	210,000	1,551,696	3,864,169
ECL	(15,341)	(5,489)	(4,110)	(142,174)	(167,114)
Time factor Loss	0	(694)	(1,368)	(24,007)	(26,069)
Loss allowance	0	0	0	0	(414,815)

30 June 2020

Trade and other receivables					
Expected credit loss					
Gross carrying amount	2,735,559	441,755	199,651	1,554,671	4,931,636
ECL	(5,929)	(3,782)	(1,978)	(106,304)	(117,993)
Time factor Loss	0	(2,015)	(1,363)	(38,719)	(42,097)
Loss allowance	0	0	0	0	(443,525)

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

32. Financial risk management (continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(e).

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

	Due within 1 year \$	Due between 1 and 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	27,240,527	0	0	27,240,527	27,240,527
Borrowings	1,750,474	6,042,824	2,033,671	9,826,969	7,844,901
Contract liabilities	4,456,814	0	0	4,456,814	4,456,814
Lease liabilities	226,872	378,120	0	604,992	604,992
	33,954,474	6,420,944	2,033,671	42,129,302	40,147,234
2020					
Payables	16,889,835	4,323,707	0	21,213,542	21,213,542
Borrowings	1,146,109	5,978,522	1,866,379	8,991,010	11,190,476
Contract liabilities	818,692	0	0	818,692	818,692
Lease liabilities	226,872	604,992	0	831,864	831,864
	19,081,508	10,907,221	1,866,379	31,855,108	34,054,574

33. Events occurring after the end of the reporting period

No significant events occurred after the end of the reporting period, which may adversely affect the financial position of City of Rockingham.

34. Trust funds

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2020 \$	Amounts Received \$	Amounts Paid \$	30 June 2021 \$
Cash in Lieu POS Contributions	833,719	86,096	0	919,815
Lease Agreement Bond Deposit	15,000	0	(5,000)	10,000
	848,719	86,096	(5,000)	929,815

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

35. Other significant accounting policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

36. Activities/programs

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

Program name and objectives	Activities
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, Investment Revenue and Emergency Services Levy.
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 City 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.

37. Financial ratios

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.58	1.70	2.27
Asset consumption ratio	0.94	0.96	0.87
Asset renewal funding ratio	0.94	0.99	0.98
Asset sustainability ratio	0.66	0.70	0.77
Debt service cover ratio	17.06	18.18	18.32
Operating surplus ratio	(0.08)	(0.07)	0.02
Own source revenue coverage ratio	0.88	0.89	0.94

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

*Sustainability ratio for the years 2020 and 2019 has been recalculated to conform with the 2021 calculation methodology.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

38. Aged care reporting note

a) Bert England Lodge

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.

The City has commenced the process of disposing of the aged care facility and it is expected that this sale will conclude within the next 12 months. This has been disclosed as held for sale/disposal group at 30 June 2021.

	2021 \$	2020 \$
Revenue		
Other Revenue	3,529,488	3,433,420
Operating Expenditure		
Other Expenses	(8,139)	(40,661)
Building Maintenance	(1,279)	(3,502)
Operating Expenses	(18,253)	(7,931)
Salaries	(9,967)	(12,169)
Utility Charges	(92,512)	(92,579)
Contractor Expense	(2,726,015)	(2,342,057)
Consultancy Costs	(466,163)	(265,855)
Minor Capital Expenditure	(20,691)	(26,518)
Property Expense	(192,077)	(206,869)
Food Expense	(153,910)	(153,896)
Advertising Costs	(13,881)	0
Training Costs	(2,300)	(522)
Stationery	(5,906)	(5,673)
Transport	(366)	(2,324)
Residential care expense	(127,792)	(110,878)
Interest Expenses	(6,360)	(10,555)
Total Operating Expenditure	(3,845,611)	(3,281,989)

	2021 \$	2020 \$
Non Cash Expenditure		
Depreciation - Building and Fixed Equipment	0	(28,877)
Depreciation - Furniture and Equipment	0	(94)
Profit/Loss on Sale of Assets	0	0
Total Non Cash Expenditure	0	(28,971)
Operating Result	(316,123)	122,460
Assets		
Total Assets	9,325,545	12,960,250
Liabilities		
Total Liabilities	4,605,726	5,252,333
Net Assets	4,719,819	7,707,917

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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

38. Aged care reporting note (continued)

b) Challenger Precinct

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

The City has commenced the process of disposing of aged care facility and it is expected that this transfer will conclude within the next six months. Due to the consideration of \$10 expected from the transfer, the transaction was deemed outside scope of AASB 5 until its actually disposed. Therefore, this has not been disclosed as held for sale assets/disposal group at 30 June 2021.

	2021 \$	2020 \$
Revenue		
Other Revenue	459,899	404,238
Operating Expenditure		
Other Expenses	(63,791)	(88,273)
Building Maintenance	(111,543)	(208,051)
Surrounds Maintenance	(13,520)	(17,823)
Consultancy Costs	0	(53,714)
Minor Expenditure	(436)	(459)
Telephone	(2,050)	(2,381)
Salaries	(12,547)	(30,545)
Total Operating Expenditure	(203,887)	(401,246)

	2021 \$	2020 \$
Non Cash Expenditure		
Depreciation - Building and Fixed Equipment	(113,443)	(150,291)
Depreciation - Furniture and Equipment	(77,108)	(103,158)
Total Non Cash Expenditure	(190,551)	(253,449)
Operating Result	65,461	(250,457)
Assets		
Total Assets	8,997,591	9,169,368
Liabilities		
Total Liabilities	0	0
Net Assets	8,997,591	9,169,368

Revenues and expenses are those directly attributable to Challenger Court and include any joint revenue and expenses where a reasonable basis of allocation exists. Assets include all assets used by Challenger Court and consist principally of receivables and inventory.

Independent Auditor's Report

For the year ended 30 June 2021



Auditor General

**INDEPENDENT AUDITOR'S REPORT
2021
City of Rockingham**

To the Councillors of the City of Rockingham

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, 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
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 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 section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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 financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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

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

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

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

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 a significant adverse trend in the financial position of the City:
 - a) The Operating Surplus Ratio as reported in Note 37 of the financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past two financial years and the current year is below the previous year.
 - b) The Asset Sustainability Ratio as reported in Note 37 of the financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.
- (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 financial report were supported by verifiable information and reasonable assumptions.

Independent Auditor's Report

For the year ended 30 June 2021

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Rockingham for the year ended 30 June 2021 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.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
23 November 2021



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