



Annual Report

2021-2022



TOWN of

EAST FREMANTLE

An inclusive community balancing growth, lifestyle and sustainability!

A large, dark silhouette of a tree with many branches dominates the right side of the frame. The background is a sunset sky with a gradient from deep purple at the top to bright orange near the horizon. In the distance, a body of water reflects the orange light, and a low-lying shoreline with some buildings is visible. The overall mood is serene and natural.

An inclusive community balancing growth, lifestyle and sustainability

Acknowledgement of Country

The Town of East Fremantle respectfully acknowledges the Whadjuk people of the Nyoongar Nation, the traditional owners and custodians of this land, and we pay our respects to Elders past, present and emerging.

The Town of East Fremantle is committed to building a deeper level of understanding and respect for all Aboriginal and Torres Strait Islander peoples as we continue on our journey of reconciliation.



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Message from the Mayor



Jim O'Neill

On behalf of East Fremantle, I am pleased to present our Annual Report for 2021-2022. Reporting against our Community Strategic Plan 2020-2030, here we detail the Town's five strategic priorities of Social, Economic, Built Environment, Natural Environment, and Leadership and Governance, and highlight the 2021-2022 achievements under each strategic priority.

The past 12 months have been both challenging and rewarding. The COVID-19 pandemic continued to impact us all in more ways than one. However, the ability for us, as a community, to work together and immerse stronger and more connected is a testament to our East Fremantle spirit.

December 2021 saw the return of our much-loved George Street Festival (cancelled in 2020 due to COVID-19) which was a stunning success both as a free community event offering something for everyone, to banning single-use plastics from all areas of the festival. As a result, in May 2022 the Town was successful in winning the inaugural WasteSorted Waste Avoidance (Events) Award for the 2021 George Street Festival, an impressive achievement for East Fremantle and the wider community.

In the 2021-2022 financial year, Council adopted the Local Planning Strategy and the Climate Emergency Strategy 2022-2032, plus Reconciliation Australia endorsed the Town's Reflect Reconciliation Action Plan (RAP). I encourage you to read more about these achievements. Unfortunately, COVID-19 prevented the Town from hosting a special community event to acknowledge the Town's 125th Anniversary, however we celebrate this occasion by highlighting the colourful history and heritage of our Town, the launch of our Digital Roll of Honour and paying respect to the 60,000 plus years before the Town was established.

On behalf of the Elected Members, I am very pleased to work with our professional and skilled administration and operations teams and I thank our CEO, Gary Tuffin, and his dedicated team for their ongoing support on policy and strategic matters. I would like to extend my gratitude to my fellow Elected Members – being a cohesive, professional Council allows us to focus on the priorities of the future.

As a long-term resident of East Fremantle, I thank you, our residents, property owners and local businesses – I'm very proud to be part of this inclusive community balancing growth, lifestyle and sustainability.

Jim O'Neill
Mayor



Message from the CEO



Gary Tuffin

I am pleased to present our Annual Report for the 2021-2022 financial year. This report highlights the commitment of Council and staff in delivering quality services inline with our Strategic Community Plan 2020-2030.

Whilst the COVID-19 pandemic continued to impact the way in which we live, work and recreate, I am proud that our team continued to serve our community with commitment, displaying our organisations' values of Respect, Integrity, Teamwork and Empathy.

During this period there were two very exciting announcements from the State Government regarding our East Fremantle Oval Precinct Redevelopment. In July 2021, a funding announcement of \$20 million and in April 2022 an announcement of an additional \$5 million towards this redevelopment. This generous commitment from the State Government has allowed the Town to continue developing the visionary plans to transform this space into first class sporting and social facilities for the entire community to enjoy.

In early 2022 Council adopted the Local Planning Strategy, an important document providing the blueprint for the growth and development of neighbourhoods and commercial (activity) centres over the next 10 to 15 years. The Town's Climate Action Reference Group (CARG) together with Town staff developed the Climate Emergency Strategy 2022-2032, which was also adopted by Council in early 2022.

The Town continues to work closely with the Perth South West Metropolitan Alliance, the Resource Recovery Group, neighbouring local governments, WALGA, LG Professionals, the Department of Local Government, Communities and Sport and our local Parliamentary members at State and Federal levels. The synergy with these partners allows us to capitalise on new opportunities, share ideas, work collaboratively, find efficiencies and learn from their experiences whilst accessing industry leading expertise.

I would like to thank our Mayor, Jim O'Neill and each of the Councillors for their leadership and continuing support, and to my team members who have displayed their commitment, dedication and passion towards ensuring we deliver the best possible service and infrastructure requirements to the East Fremantle community.

Gary Tuffin
Chief Executive Officer



Fast Facts

Infographics
to be
designed

26

Citizens Affirmed

3.2 km²

Land Area

7,819

Residents

24

Parks and Reserves

44

Median Age

1

Primary Schools

34.9%

Mortgage

66.1%

Detached Housing

40%

No Mortgage

28.7%

Residents Born Overseas

33.4%

Medium and High Density
Housing

0.9%

Residents Identifying as
First Nations Peoples

22.4%

Renting

43.3%

Residents with a
University Qualification



Town of East Fremantle Wards

The Town is bound to the north and west by the Swan River, across which many properties enjoy expansive views. To the east it shares a common boundary with the City of Melville and to the south and west it shares a common boundary with the City of Fremantle.



Town Hall with the Mechanics Institute including the East Fremantle Public Library and Fire Station

Organisation History

The Municipality of East Fremantle was created in 1897 when it separated from the greater Fremantle area. The first meeting of the East Fremantle Council was held on 14 August 1897 in the Plympton Hotel (now the Tradewinds Hotel) where the first Mayor Matthew Moss was sworn in.

Highlights in Brief 2021 – 2022



Councillor Jenny Harrington chooses plastic free options when grocery shopping

Plastic Free July 2021

The Town partnered with local coffee shops to assist in reducing the number of single-use coffee cups going to landfill by rewarding customers who repeatedly used reusable mugs, cups or jars at Me Me Joans and Eugene's Pizzeria. Elected Members were also on board to choose plastic free wherever possible.

Oval Precinct Redevelopment

During the 2021 - 2022 financial year there were two very exciting announcements from the State Government regarding the Town of East Fremantle's Oval Precinct Redevelopment.

Saturday 25 July 2021 - Premier Mark McGowan and Minister for Sport, Tony Buti, visited Shark Park to confirm the State Government's funding commitment of \$20 million.

Thursday 7 April 2022 - The State Government confirmed an additional contribution of \$5 million towards the Oval Precinct Redevelopment.





2021 Elected Members and CEO, Gary Tuffin (front left)



Dr Richard Walley refilling his reusable glass at the 2021 George Street Festival

2021 Election Results

The 2021 Election Results confirmed Mayor Jim O’Neill and Councillor Andrew McPhail as re-elected unopposed with Councillor Tony Natale elected as Deputy Mayor for the term 2021–2023. In the Plympton Ward, former Deputy Mayor Councillor Jenny Harrington was replaced by Councillor Mark Wilson. Councillor Andrew White replaced Councillor Tony Watkins in the Woodside Ward and Councillor Laura Mascaro was elected to the Preston Point Ward to replace Councillor Michael McPhail.

2021 George Street Festival

The George Street Festival, which first began in 1989 celebrated its 32nd year in 2021 and proved to be an amazing success in more ways than one. Not only did 10,000 festival attendees delight in fun family activities, entertainment and gourmet delights, the Town was successful in banning single-use plastics from all areas of the festival and instead opted for reusable alternatives, providing over 20,000 reusable items to all food and beverage vendors.



2021 George Street Festival



Local Planning Strategy Adopted

On 15 February 2022 Council adopted a Local Planning Strategy (LPS) to provide a blueprint for the growth and development of neighbourhoods and commercial (activity) centres over the next 10 to 15 years. This Local Planning Strategy will also inform the preparation of a new Local Planning Scheme. 'The adoption of this Local Planning Strategy is a significant achievement for the Town, and I would like to congratulate each and every individual involved for their foresight, hard work and commitment,' Mayor O'Neill said.



Seniors' Christmas Lunch

The Town hosted its annual Seniors' Christmas Lunch in December 2021 where guests enjoyed lunch at East Fremantle's Swan Yacht Club. Councillor Collinson presented his Acknowledgement of Country before Deputy Mayor Tony Natale delivered his speech and helped cut the cake. All those in attendance thoroughly enjoyed the afternoon.



Citizenship Ceremonies

The Town hosted two Citizenship Ceremonies between July 2021 and June 2022 at which the Town welcomed 26 Australian Citizens to our community. This number comprised of 22 adults and 4 children.



Members of the East Fremantle Climate Action Reference Group (CARG)

Climate Emergency Strategy Adopted

On 15 March 2022 Council adopted the Town’s Climate Emergency Strategy 2022-2032. The development of this strategy was driven by the East Fremantle Climate Emergency Action Reference Group (CARG) and Town staff who recognize that the important next step is the development of the Climate Emergency Action Plan.



125th Anniversary

Saturday 2 April 2022 marked the Town’s 125th Anniversary and whilst COVID-19 prevented the Town from hosting an event to mark the occasion, the Town was delighted when the Mayor was interviewed on Geoff Hutchison’s Drive program on ABC Radio Perth. Mayor Jim O’Neill, ‘whilst the current environment has prevented us from hosting an event to mark this milestone, we are proud to recognize our 125 years and highlight some of the history that has shaped and led us to where we are today, which is an inclusive community balancing growth, lifestyle and sustainability. I encourage each of you to learn more about our rich and colourful history and enjoy soaking up the sights and sounds on our heritage trail.’



Mayor O’Neill interviewed on Geoff Hutchison’s Drive Program

Highlights in Brief 2021 – 2022



Mayor Jim O'Neill and Reece Harley
(Streets of East Freo)

Launch of Digital Roll of Honour

ANZAC Day 2022 marked the launch of the East Fremantle Digital Roll of Honour. Presented by the Town and the Streets of East Freo, the Digital Roll of Honour allows people to view the entire Roll of Honour online, plus delve into the history, dates of enlistment, occupations, addresses, personal stories and photographs of soldiers who were in some way linked to East Fremantle.

Know Thy Neighbour #3 Program

The Town partnered with Spaced in the Know Thy Neighbour #3 program. Our Know Thy Neighbour #3 Artist was Yabini Kickett (Esther McDowell), a descendant of the Kickett and Hayden families of the Bibbulmun/Nyoongar Nation, who connected with the community in a creative partnership with students from Richmond Primary School encouraging them to consider their local environments, how they looked in the past and where they are now.



Yabini Kickett
(Esther McDowell)



Yabini Kickett with students from
Richmond Primary School



Urban Canopy Planting

The Town was awarded \$78,000 in grant funding from the State Government's Urban Canopy Grant program which was delivered through the Water Corporation and administered by the Western Australian Local Government Association (WALGA).



Mayor Jim O'Neill and staff accepting the Award

Winner of WasteSorted Award

At the 2022 WasteSorted Awards the Town was successful in winning the inaugural WasteSorted Waste Avoidance (Events) Award for the 2021 George Street Festival. 'In East Fremantle we are very proud to have significantly minimized the waste at our Festival, setting a new path for best practice for sustainable large-scale events, as well as new records in relation to waste minimization,' Mayor O'Neill explained.



Reconciliation Action Plan Working Group

Low-res image

Endorsement of Reflect Reconciliation Action Plan (RAP)

On 14 June 2022 Reconciliation Australia conditionally endorsed the Town's Reflect Reconciliation Action Plan. The Town then set about to commission an artist and create the designed version.

Elected Members



Mayor Jim O'Neill

Term 2021–2025

T 0413 211 873

E mayor.oneill@eastfremantle.wa.gov.au



Councillor Cliff Collinson

Term 2019–2023

T (08) 9339 6452

E cr.collinson@eastfremantle.wa.gov.au



Councillor Kerry Donovan

Term 2019–2023

T 0407 985 832

E cr.donovan@eastfremantle.wa.gov.au



**Councillor Jenny Harrington
(Retired)**

Deputy Mayor 2021

Councillor 2013–2021



Councillor Laura Mascaro

Term 2021–2025

T 0410 689 801

E cr.mascaro@eastfremantle.wa.gov.au



Councillor Andrew McPhail

Term 2021–2025

T 0412 936 772

E cr.ajmcphail@eastfremantle.wa.gov.au



Councillor Tony Natale

Deputy Mayor Term 2021–2023
Councillor Term 2019–2023

T 0419 929 825

E cr.natale@eastfremantle.wa.gov.au



Councillor Michael McPhail
(Retired)

Councillor 2013–2021



Councillor Dean Nardi

Term 2019–2023

T 0417 933 956

E cr.nardi@eastfremantle.wa.gov.au



Councillor Tony Watkins (Retired)

Councillor 2013–2021



Councillor Andrew White

Term 2021–2025

T 0418 131 179

E cr.white@eastfremantle.wa.gov.au



Councillor Mark Wilson

Term 2021–2025

T 0477 532 486

E cr.wilson@eastfremantle.wa.gov.au

Elected Member Meeting Attendance 2021-2022

Elected Member	Ordinary Council Meetings	Special Council Meetings	Town Planning Committee Meetings	Audit Committee Meetings	Concept Forums	Electors' Meeting	Total
Mayor O'Neill	10	3	7	2	9	1	32
Cr C Collinson	11	1	7	Not a member	8	-	27
Cr K Donovan	10	3	Not a member	2 (member since 19/10/21)	9	1	25
Cr J Harrington (to 16/10/21)	2	1	4	1	3	-	11
Cr L Mascaro (from 16/10/21)	5	2	4	Not a member	4	1	16
Cr A McPhail	10	3	Not a member	2	8	1	24
Cr M McPhail (to 12/8/21)	1	-	Not a member	-	-	-	1
Cr D Nardi	10	3	8	Not a member	6	1	28
Cr A Natale	11	3	9	3	9	1	36
Cr A Watkins (to 16/10/21)	3	1	4	1	2	-	11
Cr A White (from 16/10/21)	7	2	4	2	5	1	21
Cr M Wilson (from 16/10/21)	7	2	Not a member	2	6	1	18

Other Meetings/Events Attended by Elected Members

Event	Number of Occasions During 2021-2022
Presentations/Briefings/Workshops	22
Training/Professional Development (excludes mandatory training for new/returning Elected Members)	2
Citizenship Ceremonies	2
Public Art Panel Meetings	4
Climate Action Reference Group Meetings	4
Events Committee Meeting	2
Public Consultation/Drop in Sessions	5



Communication with Our Community

In line with the Town's Communication and Engagement Strategy, with an emphasis on improving the way we inform our community, in early 2022 the Town's Marketing and Communications Officer reviewed the existing publications, corporate documents and communication tools and provided a refreshed look. Here are some highlights:



TownTalk (Your CommUnity e-News)

To tie in with the Town's existing printed newsletter, Talk of the Town, the monthly e-Newsletter was rebranded as TownTalk with the positioning statement, 'Your CommUnity e-News'. TownTalk was also given a fresh new look with a new header, more images, less text and a greater number of useful links to the Town's website. In addition to the monthly TownTalk, the Town introduced a quarterly e-Newsletter titled, Major Projects Around Our Town, reporting on the major developments, as well as stand-alone special editions of TownTalk when required.

Website

The Town also set out to make alterations to the Town's website with the end-goal of a more user-friendly and easier to navigate homepage and menu. Website developers were briefed on a number of changes including incorporating the Town's colour logo, previously a mono logo, introducing easy to use quick-link icons and more white space allowing easy to identify homepage features, plus the inclusion of colourful images on the homepage for the Town's Latest News. Design works at the back-end of the website evolved during the second half of the 2021 – 2022 financial year.

Corporate Documents

The first of a series of corporate documents to be given a fresh and revitalised look was the Budget Bulletin 2022-2023. Through this document the Town altered the way it communicated details of the budget by including colourful, East Fremantle project-specific images overlaid with budget details.

The second corporate document to adopt this new look was the Workforce Plan 2022-2027, and through this design process the Town also identified the need to update the Ward Map and Organisational Structure, incorporating the Town's corporate colours.

Social Media

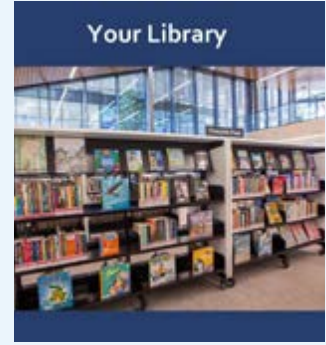
The Town developed a consistent style and format for social media posts by introducing a heading for each post, bookended with an emoji, or two. The Town aimed at creating colourful and engaging content and being on the front foot to keep the residents and ratepayers informed in advance.

Reception Screen

The Town proudly displays a screen in the Town Hall reception area with rotating slides to keep the visitors, including residents and ratepayers, informed of various projects and events. The slides were given a refreshed and consistent look, utilising colourful and relevant images.

Look Local Campaign

Cementing the establishment of the Town's Look Local campaign in 2019, the Town set out to continue communicating the importance of "looking local" when considering options for cafes, restaurants and bars, retail outlets for Mother's Day and the like. The Town's 2022 Look Local campaign was rolled out across the website, TownTalk and the printed Talk of the Town newsletters, on the reception screen and on social media platforms.



Look Local in East Freo!

The Town will continue to support and promote our local businesses through our 'Look Local' campaigns across social media, the Town's website, and in our newsletters. To ensure your East Fremantle business is included, please add your business details to our online business directory. There are many categories including Real Estate, Hair and Beauty, Clothing, Restaurants, Gifts and more!



Mayor's Message

Our 2022-2023 Budget delivers on the vision of East Fremantle being 'an inclusive community balancing growth, lifestyle and sustainability'.

Here are some highlights:

Local Precinct Re-development - With a State Government commitment of \$25 million over the next two financial years (50% allocated for 22-23) combined with funds Council have set aside over several years, the redevelopment will deliver first class community and sporting facilities for croquet, team bowls and football, as well as many other spaces for the community to enjoy including a skate and basketball park, playground, park, function room and dog exercise area.

Sustainability and Our Environment - Council has committed 15% of rate revenue to the implementation of the Town's Climate Emergency Action Plan. In addition to this, SMAs has been allocated towards fence-line erosion control and tree well upgrades and \$200k for our Coastal Hazard Risk Management and Adaptation Planning.

Roadway Works - For the safety of our residents and visitors, major renewal works are planned for footpaths along Carrington Highway, Petra Street and George Street.

Country Park - Council has committed \$200k for community facilities including a new BMX pump track, a nature play area, a dual purpose water fountain and BBQ facilities.

Recreation Action Plan and Local Planning Scheme - The Team will continue implementation of our Recreation Action Plan and develop a new Local Planning Scheme, both of significant importance to all of us.

Workshop Session Facilities - Major renovation works will include the addition of new change rooms, a canteen and new storage facilities, plus the re-orientation of Workshop One.

East Fremantle is a unique community and - would like to thank our CEO, Staff and my fellow Council Members for their hard work and commitment in delivering this comprehensive Budget.

Mayor
Ivan O'Neill

Budget Overview

Library: \$10.5m	Neighbourhood Link: \$425k (Public Funding)	Parks and Clubs: \$74.5k
Public Art: \$76k	Community Sponsorship: \$735k	Community Events: \$75k
Buildings: \$1.05m	Sustainability and Our Environment: \$195k (State Funding)	Public Services: \$1.2m
Public Programming, Open and Car Use: \$1.25m	Local Precinct Re-development: \$25m (State Funding)	Community Health: \$200k

Budget Bulletin

2022/2023

Workforce Plan

2022-2027



Executive Summary

The Town of East Fremantle is a robust and resilient local government authority, and it is served by a small employee base of 55 staff.



We acknowledge that a diverse, dedicated and motivated staff is the pillar of any successful organisation, and the Town of East Fremantle aims to achieve a high level of performance for all staff.

Recruiting, retaining, and training the right staff in the right jobs, roles and at the right time is critical to realising our long-term goals.

The **Workforce Plan** is a key strategic document which identifies the human resources, skills and competency development required to deliver on the Town's strategic direction, which is outlined in the Strategic Community Plan 2020-2025.

Workforce planning is a continuous improvement process of shaping the workforce to achieve organisational goals both now and in the future.

In recent times the Town has faced several challenges, including those presented by the COVID-19 pandemic. We have also seen the rise of job market, with many employers struggling to hire and keep talented staff.

As a result of these external factors, staff benefits and providing the right workplace culture have become critical in recruiting the right people.

We have continued to implement the RITE values of respect, integrity, teamwork and empathy.

This work has included the engagement of a staff-driven Culture Club which aims to involve staff in the implementation of these values through gatherings, staff outreach and motivation activities.

We believe that our employees play a critical role in building on our prior accomplishments and creating a future that fulfills community expectations. As a result, we must consult, promote and develop our staff as they learn new methods of working.

The Workforce Plan aims to provide a framework to achieve high performing, motivated and resilient staff that can deliver a high level of customer service and one which creates a positive impact on our community.

Gary Telfer
Chief Executive Officer

We have continued to implement the RITE values of respect, integrity, teamwork and empathy.



Community Engagement

Whilst some events during the 2021-2022 financial year were cancelled due to COVID-19, the Town took every opportunity to actively engage with the community. Here are some highlights:

Public Art Panel

During the 2021 – 2022 financial year the Public Art Panel met on four occasions in August and November 2021 and February and May 2022. The Public Art Panel members include Mayor Jim O’Neill, Councillor Laura Mascaro, Tony Jones (artist), Nikki Liley (artist), Wendy Robertson (artist), Soula Veyradier (artist), Gary Tuffin (CEO) and Carly Filbey (Community Engagement Officer).

Moombaki Drone Light Show

With the launch of Fremantle Biennale, the Town supported and promoted the Moombaki (where the river meets the sky) drone light show, a free, family-friendly and accessible event. Over the Swan River (Derbarl Yerrigan), between the two bridges (of East Fremantle and Fremantle), Moombaki was an epic spectacle of light, movement and sound which transformed the night sky.

Community Assistance Grants Program

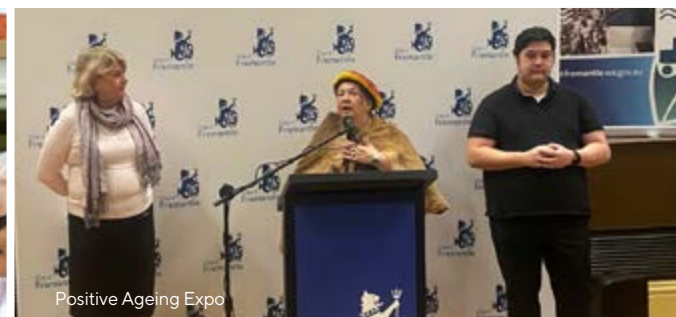
In the 2021 - 2022 financial year the Town continued to support sporting clubs and community groups through the delivery of the annual Community Assistance Grants program.

Positive Ageing Expo

In June 2022 the Town joined forces with the City of Fremantle and City of Melville to host the Positive Ageing Expo at the Walyalup Civic Centre in Fremantle. This expo, with over 50 stalls offering a wide variety of engaging information and activities, health checks, demonstrations and discussions, promoted and encouraged healthy lifestyles and wellness opportunities for people aged 55 and over.



Moombaki Drone Light Show





Low-res image



Low-res image



Corporate Services

Corporate Services is responsible for a diverse range of internal and external services ranging from Neighbourhood Link, ranger services, customer services, financial services including rates, records management, information technology, leasing and contracts. Below is an overview and some highlights for the 2021 – 2022 financial year:

Neighbourhood Link

The Town's Neighbourhood Link, which commenced in 1989, provides a comprehensive range of group social activities and one-on-one care services for people aged 65 years and above in East Fremantle and surrounding areas. Over many years the Town has been successful in securing Commonwealth Government funding to provide these services with a focus on allowing people to remain living safely and independently in their homes, as well as providing the benefits of social engagement through group activities. Neighbourhood Link also supports family members and carers by providing respite options. For more information about Neighbourhood Link and the range of services on offer please call the friendly, caring team on 9339 9381.

Ranger Services

Ranger Services is responsible for managing compliance with State Government Legislation and Local Government Local Laws, including the Dog Act, Cat Act, Litter Act, Bushfires Act, Local Government Act and Parking Local Laws. The breadth of responsibility is significant. The Town focused on community education and voluntary compliance resulting in 4,767 cautions being issued in the 2021 – 2022 financial year, compared with 1,268 infringement notices. Ranger Services also captured 301 graffiti reports and 536 maintenance reports.

Customer Services

The Town is proud of its history working together with the local community to provide essential services. The needs of the community are at the forefront of everything the Town does, therefore it is important that we strive to deliver customer service to the highest standard. The Town has published a Customer Service Charter which outlines the Town's service levels. Numerous documents were produced in the 2021 – 2022 financial year to support the Town's commitment under this Charter, including Fact Sheets for rates, parks and reserves, parking, venue hire, and the location of defibrillators in the Town, to name a few. In the 2021 – 2022 financial year the customer service team received 24,870 phone calls and processed 5,584 customer services requests across a vast range of service types.



MORE FAST FACTS

99.56% of rates levied were collected, including arrears

2,018 payments were made

3,093 supplier invoices were processed

\$210k of direct funding provided to community groups and sporting clubs

18 lease and community license agreements were managed

8 maintenance requests processed under the tenure agreements

3 funding agreements with community groups prepared and administered



Locke Park

Technical Services and Operations

Technical Services overseas, manages and maintains the Town's infrastructure including roads, footpaths, drainage, verges, parks, reserves and the East Fremantle Swan River foreshore, as well as maintenance of the Town's built assets.



Dual drinking fountain at Silas Street dog park

Major Drainage Upgrades

In the 2021 - 2022 financial year the Town undertook major drainage upgrades in Silas Street and St Peters Road to eliminate the flooding issues at the roundabout. This included installation of upstream soak wells to increase the water captured before it travels to the roundabout.

A Gross Pollutant Trap (GPT) was installed near Wauhop Oval which captures and filters a large amount of water from the Preston Point Ward before it enters the river adjacent to Wayman Reserve.

The Town completed some minor drainage upgrade works at Locke Crescent which included the installation of soakwells and the realigning of two intersections to prevent the water from entering Locke Crescent.

Footpath Upgrades

There were two minor footpath upgrade projects in the 2021-2022 financial year whereby the old slab footpaths were upgraded to red asphalt on Gill Street between Canning Highway and Fraser Street and Fortescue Street between Canning Highway and Fletcher Street.

In addition to this, to make it safe for all footpath users, Canning Highway footpaths were upgraded from slabs to concrete between Petra Street and Oakover Street.

Parks and Reserves

The parks and reserves within the Town are always well appreciated by local residents and visitors and the installation of a drinking fountain for dogs and humans at the Silas Street dog park was extremely well received.

With the aim of reducing urban heat, the Town completed two stages of weeding and planting at Niergarup Track, the place where the pelicans meet.

Two bore upgrades were undertaken in Locke Park and Lee Park which will allow more efficient water use and tracking for years to come.

The resurfacing of Henry Jeffery Oval was completed with all clubs and oval users happy with the final outcome of the new surface.

Leeuwin Car Park Upgrades

The Leeuwin car park entry and exits were upgraded to allow smoother access for all users, allowing more stacking for vehicles exiting onto Riverside Road, both northbound and southbound.



Verge trees and verge planting




80 + 143

street trees urban canopy trees
were planted throughout the Town's
parks, reserves and verges in the
2021 - 2022 financial year.



Lee Park



During the 2021 – 2022 financial year,
the Town received the following applications:

110 Development Applications

\$22,064,628

Total Development Value

96% of applications were
processed within the
regulated time

155 Building Permit
Applications

\$31,572,907

Total Development Value

100% of building permits
were processed within
the regulated time

Regulatory Services – Town Planning and Building

The 2021-2022 financial year was a very busy period for the Town's Regulatory Services team. The department continued the important work of managing development within the Town, including the Royal George Hotel, 'The Entrance' and the former Woodside Hospital. Work also continued to protect the environment and the heritage and overall character of the Town. Here are some highlights:

Local Planning Strategy

In February Council adopted a Local Planning Strategy (LPS) to provide a blueprint for the growth and development of neighbourhoods and commercial (activity) centres over the next 10 to 15 years. The LPS will also inform the preparation of a new Local Planning Scheme. The draft LPS was advertised for public comment for a period of 6 weeks, Council considered all submissions received and adopted the LPS for final approval, subject to a number of modifications. The LPS was forwarded to the WAPC for endorsement and finalization in February 2022.

'The Entrance'

In 2022 a development application was lodged with the State Development Assessment Unit (SDAU). The application proposed a mixed-use development that comprises 95 residential apartments and commercial floor space with a designated landscaped area for what is intended to be 'publicly accessible open space'. The tallest building on the site is proposed to be 19 storeys. Council through the referral process requested the SDAU/WAPC refuse the proposal and encourage the applicant to reduce the height and scale of the buildings to a more suitable built form outcome for the locality and for the applicant to revisit the design outcome to strive for the exemplary status the site merits. This application was not determined by July 2022 and is still under assessment.

Woodside Hospital

A Joint Development Assessment Panel application has been received subsequent to the end of the year (July 2022) which proposes redevelopment of the former Woodside Hospital. The redevelopment proposal involves complete redevelopment of the one-hectare site, which extends from Dalgety Street through to Fortescue Street, for an aged care facility and incidental uses. The application for the former Woodside Hospital and two adjacent dwellings, includes a 158 bed residential aged care facility and incidental uses comprising of a wellness centre (i.e., allied health services, pool, gym and hair salon), supported independent living (SIL), and restoration and reuse of the State heritage listed building, Woodside House, for aged care accommodation/ amenities and a cafe. The application is still subject to assessment by the Town's administration.

Scheme Amendment 17

In July 2021 Scheme Amendment 17 was endorsed by Council. The Amendment site comprises six lots on the south side of Canning Highway between East and Glyde Street. This land has been identified in the Local Planning Strategy as a western gateway site which can facilitate urban consolidation by promoting residential land use intensification within an identified urban (transport and development) corridor.

The intent of the Scheme Amendment is to allow for more intensive residential development of these six lots most likely in the form of apartments. The future redevelopment of the lots would be guided by a Local Development Plan and associated Design Guidelines (to be prepared). The amendment was approved by the Minister and gazetted in February 2022.

Regulatory Services – Climate Change, Waste and Environmental Health

Action on Climate Change

In March 2022 Council adopted the Climate Emergency Strategy 2022-2032 and the Town has continued to work towards the climate emergency goals, including increasing planting in urban heat hotspots, the purchase of green power for Town Hall and the purchase of electric bikes. Council also endorsed a budget commitment to developing a Climate Emergency Action Plan (CEAP) which will be guided by the Strategy and community consultation and will provide the framework for Council to address the climate emergency.

East Fremantle's Climate Action Reference Group (CARG) hosted:

- Climate Action Seminar with Bill Hare and Peter Newman
- Solar Power Info Session
- Electrifying Everything Info Session

Coastal Hazard Risk Management and Adaptation Plan (CHRMAP)

The application for funding from the Department of Planning, Lands and Heritage (DPLH) to complete a Coastal Hazard Risk Management Adaptation Plan (CHRMAP) was successful and a further \$30,000 was provided by the Department of Biodiversity, Conservation and Attractions (DBCA) to meet the required funding. Baird Consulting was appointed and a data review and coastal hazard assessment was completed on 14 June 2022.

Urban Canopy Planting

The 2021-2022 Local Government Urban Canopy Grant program was created to expand tree canopy in high urban heat risk areas in 32 Waterwise local governments within the Perth and Peel regions. The funding, administered by WALGA, was to support additional planting, or bring forward future tree planting to June 2021 – June 2022. The Town proposed 10 sites across East Fremantle which registered urban heat readings greater than the surrounding areas and had low vegetation cover.

The Town was successfully awarded a grant of \$78,000 from the Water Corporation, the highest monetary value granted across all 32 local governments.



157 trees planted south of Canning Highway between July and September 2021



Infographics
yet to be
designed

Waste Fast Facts

- FOGO waste service provided to 98% of residential properties
- FOGO waste service provided to 26 businesses and a number of community groups
- 87% recovery on Food Organics Garden Organics (FOGO) bin
- 85% recovery on recycling (yellow top recycling bin)
- All general waste (red bin) to landfill with waste to energy in 2023
- 682 rolls of compostable liners provided to residents free of charge (compared with 700 in 2020-2021)
- \$47,00 in funding for the implementation of the Town's Waste Plan. \$17,500 remaining for 2022-2023.
- Winner of the inaugural WasteSorted Waste Avoidance (Events) Award 2022 for the 2021 George Street Festival
- 164 mattresses recycled through Soft Landings
- 136 tonnes of green waste collected
- 154 tonnes of bulk waste collected





Infographics
yet to be
designed

Fremantle Recycling Centre

- The Town partnered with Fremantle Recycling Centre for the fourth year
- Highest visitation of 3,150 (18% of total usage)
- 258 bags of FOGO compost sold (19% of total sales)
- Joint workshops with the City of Fremantle

Sustainability by Actions

- Town purchased 2 electric bikes for Town staff to use
- Town was endorsed as a Waterwise Council for a third year
- Implementation of Sustainable Event Policy at 2021 George Street Festival
- Partnered with Plastic Fee July for the third year
- Bahai community planting along Jerrat Drive with 250 tube stock
- 3,428 tube stock provided to residents during the APACE annual plant sale
- FOGO compost giveaway at the annual plant sale



Photo: Richard Olson

Environmental Health COVID-19 Response

- Council continued to implement COVID-19 procedures at Council buildings until the easing of restrictions
- Council continued to provide:
 - automatic hand sanitiser dispensers
 - hand sanitiser for all staff including in Council vehicles and at facilities and events
 - masks, and
 - Rapid Antigen Tests (RATs)
- Council offered free COVID-19 vaccinations at Caring Pharmacy

Physical Health

- Continued implementation of Disability and Access Inclusion Plan - Neighbourhood Link developed a registry of services within the Town and disability parking bays were installed at Tricolore Community Centre.
- 35 staff received flu vaccinations
- All staff offered skin checks

Mental Health

- Mental Health Working sub group of MEHMG met at the Mental Health Commission
- Mental Health for Leaders Workshop held at Town Hall
- Mental Health Week breakfast held for all staff at Dovenby House
- Staff attended Autism Disability Awareness Training
- R U OK? Day event held



Low-res
image



Low-res
image

Community Health Fast Facts

- Food poisoning investigation - 0 cases
- Notification of notifiable diseases - 1 case of Ross River Virus
- High and medium risk food premises inspections - 90
- Low risk food premises inspections - 10
- Foodsafe audits - 7
- Foodsafe online training - 11 food handlers
- Public building inspections - 20
- Public swimming pool samples - 33
- River samples - 18
- Asbestos Samples - 2

Infographics
yet to be
designed

Strategic Priority 1: Social

"A socially connected, inclusive and safe community."

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
<p>1.1 Facilitate appropriate local services for the health and wellbeing of the community</p>	<p>1.1.1 Facilitate or partner to ensure a range of quality services are provided at a local level</p>	<ul style="list-style-type: none"> Community perception of value of services, inclusiveness and wellbeing
	<p>1.1.2 Strengthen the sense of place and identity through inclusive community interaction and participation</p>	

2021 – 2022 Achievements

- Neighbourhood Link (the Commonwealth Home Support Program) continued to provide a comprehensive range of group social activities and one-on-one support care services, including during the COVID-19 pandemic
- Reflect Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia in June 2022, subject to a couple of minor amendments – many actions already underway
- The Town continued to partner with the Glyde-In Community Learning Centre to provide a quality service through the provision of an extensive range of adult learning courses
- Continued implementation of the Disability Access and Inclusion Plan and the Town identified activities and improvements to undertake across the organisation
- Continued implementation of the Public Health Plan 2018–2022, including river samples, inspections of public buildings and food premises, food safe audits, microbicidal food samples and swimming pool inspections



OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
1.2 Inviting open spaces, meeting places and recreational facilities	1.2.1 Provision of adequate facilities to support healthy and active lifestyles	• Community perception of value of recreational facilities and meeting spaces
	1.2.2 Activate inviting open spaces that encourage social connection across all age groups	

2021 – 2022 Achievements

- The Town secured the total project budget of \$32.5 million for the East Fremantle Oval Precinct Redevelopment
- Design documentation for the East Fremantle Oval Precinct Redevelopment completed
- Installation of dual water fountain at Silas Street dog reserve
- Henry Jeffery Oval resurfaced and reticulation upgraded
- Completion of two bore upgrades at Locke Park and Lee Park to allow more efficient water use and tracking for years to come
- Completion of two stages of weeding and planting at Niergarup Track
- Annual Playground Safety Audit Inspections undertaken across the Town's playgrounds

1.3 Strong community connection within a safe and vibrant lifestyle	1.3.1 Partner and educate to build a strong sense of community safety	• Community perception of value of vibrancy and connectivity • Increase community perception of safety • Increase in community participation and satisfaction with events
	1.3.2 Facilitate opportunities to develop community connections through events and celebrations	
	1.3.3 Facilitate community group capacity building	

2021 – 2022 Achievements

- The Look Local campaign continued in the first half of 2022 to encourage residents and visitors to support local businesses, emphasised at the time of the lifting of COVID-19 restrictions
- The Town hosted the 2021 George Street Festival, a highly successful, free community event
- Continued to partner with the Local Emergency Management Committee (LEMC) to implement the Local Emergency Management Arrangements (LEMA)
- Town staff participated in the National Reconciliation Week Virtual Breakfast

Community Assistance Grants

- East Fremantle Croquet Club - \$980 for croquet balls
- East Fremantle Cricket Club - \$1,100 for PA system
- East Fremantle Junior Cricket Club - \$2,310 for uniforms and gazebo
- Fremantle Outrigger Canoe Club - \$1,000 for equipment shed
- Fremantle Sea Scouts - \$1,000 for storeroom and club room equipment
- Hurricane Dragon Boat and Canoe Club - \$990 for personal location beacon
- Lions of East Fremantle - \$931 to maintain the kids train and buy a gazebo

Strategic Priority 2: Economic

"Sustainable, "locally" focused and easy to do business with."

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
2.1 Actively support new business activity and existing local businesses	2.1.1 Ensure a "local" focus through supporting and promoting opportunities for local business	<ul style="list-style-type: none"> Increased participation in attendance at business forums held in the Town Community perception of value of support provided to business
	2.1.2 Facilitate opportunities/forums where local businesspeople can meet and share ideas	
2.2 Continue to develop and revitalise local business activity centres	2.2.1 Facilitate local small business access through planning and activation to support community and business growth	

2021 – 2022 Achievements

- Local businesses supported through the continuation of the Look Local campaign in the first half of 2022, highlighted at the time of the lifting of the COVID-19 restrictions, plus a campaign for Mother's Day 2022
- Local Commercial Centres Assessment and Strategy (draft) prepared for Council's consideration
- Partnerships with the Perth South West Metropolitan Alliance, the Resource Recovery Group and neighbouring local governments to explore economic opportunities
- Assisted local businesses, sporting clubs, churches, community groups and tenants of Town buildings with the COVID-19 Safety Plan and provided advice during the pandemic to assist with compliance
- Updated and promoted business and community directories on Town's website

Low-res image



Strategic Priority 3: Built Environment

"Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces."

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
<p>3.1 Facilitate sustainable growth with housing options to meet future community needs</p>	<p>3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites</p>	<ul style="list-style-type: none"> • Community perception of value of strategic development site outcomes • Community perception of streetscapes
	<p>3.1.2 Plan for a mix of inclusive diversified housing options</p>	
	<p>3.1.3 Plan for improved streetscapes</p>	
<p>2021 – 2022 Achievements</p> <ul style="list-style-type: none"> • The Town completed the Climate Emergency Strategy 2022-2032 which was adopted by Council in early 2022 • The Town planted 143 trees in various locations under an Urban Canopy grant initiative to reduce urban heat and improve streetscapes • Council adopted the Local Planning Strategy, a blueprint for the growth and development of neighbourhoods and commercial (activity) centres over the next 10 to 15 years • Major planning developments underway including: <ul style="list-style-type: none"> » Royal George Hotel – Western Australian Planning Commission approved development » Former Woodside Hospital Site – presentation to Elected Members June 2022 » The Entrance (Roofing 2000 Site) – application lodged with State Development Assessment Unit » Scheme Amendment 17 – Western Australian Planning Commission considered amendment 		
<p>3.2 Maintaining and enhancing the Town's character</p>	<p>3.2.1 Ensure appropriate planning policies to protect the Town's existing built form</p>	<ul style="list-style-type: none"> • Community perception of value of the Town's preservation of character
<p>2021 – 2022 Achievements</p> <ul style="list-style-type: none"> • Heritage Precinct status implemented for George Street • The Town completed the Verge Greening Guidelines and Verge Policy • Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) commenced by the Town 		

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
<p>3.3 Plan and maintain the Town's assets to ensure they are accessible, inviting and well connected</p>	<p>3.3.1 Continue to improve asset management within resource capabilities</p>	<ul style="list-style-type: none"> • Asset Sustainability Ratio • Asset Consumption Ratio • Asset Renewal Funding Ratio
	<p>3.3.2 Plan and advocate for improved access and connectivity</p>	

2021 – 2022 Achievements

- Review of all Asset Management Plans
- Footpath upgrades from old slab footpaths to red asphalt on Gill Street between Canning Highway and Fraser Street and Fortescue Street between Canning Highway and Fletcher Street
- Footpath upgrades from slabs to concrete on Canning Highway between Petra Street and Oakover Street
- Leeuwin carpark upgrades to entry and exit
- Locke Crescent drainage upgrades
- Silas Street and St Peters Road drainage upgrades



Strategic Priority 4: Natural Environment

"Maintaining and enhancing our river foreshore and other green, open spaces with a focus on environmental sustainability and community amenity."

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
4.1 Conserve, maintain and enhance the Town's open spaces	4.1.1 Partner with Stakeholders to actively protect, conserve and maintain the Swan River foreshore 4.1.2 Plan for improved parks and reserves 4.1.3 Improve and protect the urban forest and tree canopy	<ul style="list-style-type: none"> • Community perception of value of Town's conservation and management • Recycling Rates – kilogram per capita (maintain and aim to improve) • Waste to landfill – kilograms per capita (maintain or decrease)
4.2 Enhance environmental values and sustainable natural resource use	4.2.1 Reduce waste through sustainable waste management practices, including effective community and business education	
4.3 Acknowledge the change in our climate and understand the impact of those changes	4.3.1 Improve systems and infrastructure standards to assist with mitigating climate change impacts	

2021 – 2022 Achievements

- Gross Pollutant Trap (GPT) installed near Wauhop Oval to capture and filter water prior to it entering the river
- Bush restoration works along Riverside Road
- The Town planted 143 trees in various locations under an Urban Canopy grant initiative to reduce urban heat and improve streetscapes
- FOGO waste service provided to 98% of residential properties, 26 local businesses and a number of community groups
- Implementation of the Sustainable Event Policy at the 2021 George Street Festival
- The Town completed the Climate Emergency Strategy 2020-2030 which was adopted by Council in early 2022
- The Climate Action Reference Group (CARG) hosted numerous climate emergency seminars and information sessions for residents
- Town endorsed as a Waterwise Council for a third year
- Town purchased 2 electric bikes for Town staff to use

Strategic Priority 5: Leadership and Governance

"A proactive, approachable Council which values community consultation, transparency and accountability."

OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
<p>5.1 Strengthen organisational accountability and transparency</p>	<p>5.1.1 Strengthen governance, risk management and compliance</p> <p>5.1.2 Ensure effective engagement with community and stakeholders</p> <p>5.1.3 Improve the efficiency and effectiveness of services</p>	<ul style="list-style-type: none"> • Achieve an unqualified audit • Community perception of value of the Town's communication and consultation processes • Community satisfied with Town's responsiveness
<p>5.2 Proactively collaborate with the community and other stakeholders</p>	<p>5.2.1 Foster and promote strategic collaborative relationships with neighbouring LGAs, NGOs, State and Federal government representatives and agencies</p>	
<p>5.3 Strive for excellence in leadership and governance</p>	<p>5.3.1 Deliver community outcomes through sustainable finance and human resource management</p> <p>5.3.2 Improve organisational systems with a focus on innovation</p> <p>5.3.3 Increased focus on strengthening and fostering a positive customer service experience</p>	<ul style="list-style-type: none"> • % of customer requests/enquiries responded to within target timeframes • Financial ratio levels for benchmarking of local governments



OBJECTIVES WHAT WE NEED TO ACHIEVE	STRATEGIES HOW WE'RE GOING TO DO IT	MEASURES OF SUCCESS HOW WE WILL BE JUDGED
<p>2021 – 2022 Achievements</p> <ul style="list-style-type: none"> • The Town continued its strong record of financial management receiving an unqualified audit report for the year ended 30 June 2022 • The Legislative Compliance Policy and Procedure and the Legislative Compliance Matrix Register were both adopted by Council • The Delegated Authority Register was reviewed and endorsed in June 2022 • The Strategic ICT Plan was renewed, and a new ICT Contract awarded <p>Customer Services</p> <ul style="list-style-type: none"> • Ongoing improvements to customer service systems and processes • Online services and payments including e-rates, pet registration renewals and development application tracking • Continual promotion of Snap Send Solve, a user-friendly app for residents and property and business owners to report external maintenance requests in the Town • Updating Fact Sheets as required, available as hard copy and online <p>Advocacy and Leadership</p> <ul style="list-style-type: none"> • Continued collaboration with the Perth South West Metropolitan Alliance, the Resource Recovery Group on waste management, business systems, environmental and river management and key transport issues including the Swan River Crossings project plus Smart Cities technology <p>Communication</p> <ul style="list-style-type: none"> • Ongoing implementation of Communication and Engagement Strategy with increased growth of e-newsletter subscribers, social media followers across LinkedIn, Facebook and Instagram and visitors to the Town’s website • Review and refresh of Town’s existing communication publications, including e-newsletters (rebranded as TownTalk), and corporate documents, including a refreshed look and way of communicating budget details in the Budget Bulletin 2022-2023 • Developed a consistent style and format for social media messaging • Commenced design concept work to modify the Town’s website with the end goal a more user-friendly and easier to navigate homepage and menu • Continuation of the Look Local campaign across the website, newsletters, reception screens and social media platforms to continue communicating the importance of looking local <p>Building and Developing a Strong Team</p> <ul style="list-style-type: none"> • Workforce Plan reviewed and Workforce Plan 2022-2027 developed <p>Organisations’ Values</p> <ul style="list-style-type: none"> • Elected Members and staff of the Town worked to the highest standards of ethics and behaviour, guided by the organisations’ RITE values of Respect, Integrity, Teamwork and Empathy • WSH Committee continued to prioritise new workplace health and safety challenges 		



Statutory Reporting

Corporate Business Plan (Regulation 19B (2)(k))

The Town is required to provide details on any significant modification made to a local government's Corporate Business Plan (CBP) during the financial year. The Chief Executive Officer reports to Council on a quarterly basis on the implementation of the CBP. Commentary is provided against each action in the CBP, and project status is assigned as either completed, on track or not commenced / at risk.

The CBP is reviewed annually in June and adopted as part of the Budget process. Council received a presentation on the Community Scorecard at a workshop on the 12 May 2021. One of the recommendations stemming from this community engagement process was to review the

Corporate Business Plan for the 2021-2022 financial year, and beyond, to reflect the community's current priorities:

- Streetscapes, trees and verges
- Safety and crime prevention
- Sustainable practices and climate change
- Footpaths and cycleways
- Playgrounds, parks and reserves
- Youth services and facilities
- Sport and recreation facilities and services
- Managing responsible growth and development
- Traffic management

In relation to the priorities raised in the Community Scorecard, the following actions have been assigned in the Corporate Business Plan:

PRIORITY	ACTION
Streetscapes, trees and verges	<p>4.1.3.1 Continue with annual street planting program.</p> <p>3.1.3.1 Implement a Verge Policy and Urban Streetscape Guidelines.</p> <p>4.1.2.1 Prepare and implement an Urban Streetscape and Public Realm Style Guide.</p>
Safety and crime prevention	<p>1.3.1.2 Partner with neighbouring local governments and state agencies to promote community health and safety.</p>
Sustainable practices and climate change	<p>4.1.1.1 Ongoing implementation of the Foreshore Management Plan subject to funding.</p> <p>4.1.1.2 Continue to partner with stakeholders to actively protect, conserve and maintain the Swan River foreshore.</p> <p>4.2.1.1 Implement Food Organics and Green Organics (FOGO) waste collection and disposal services.</p> <p>4.2.1.2 Partner with the City of Fremantle to provide free community access to the Fremantle Recycling Centre.</p> <p>4.2.1.3 Ongoing implementation of the Regional Waste Strategy.</p> <p>4.3.1.1 Investigate further climate change and mitigation initiatives.</p> <p>4.3.1.3 Implement actions under the Climate Emergency Strategy</p>
Footpaths and cycleways	<p>3.3.1.1 Maintain and implement current Asset Management Plans.</p> <p>3.3.1.4 Develop and implement proactive asset maintenance schedules.</p> <p>1.2.1.3 Provide community facilities and infrastructure in line with asset management planning.</p>
Playgrounds, parks and reserves	<p>3.3.1.1 Maintain and implement current Asset Management Plans.</p> <p>3.3.1.4 Develop and implement proactive asset maintenance schedules.</p> <p>1.2.1.3 Provide community facilities and infrastructure in line with asset management planning.</p>
Youth services and facilities	<p>1.1.2.1 Prepare and implement the Community Development Strategy.</p> <p>1.3.2.2 Encourage youth and general community engagement and participation.</p> <p>1.2.1.3 Provide community facilities and infrastructure in line with asset management planning.</p>
Sport and recreation facilities and services	<p>1.2.1.1 Implement the Preston Point Road North Recreation Facility Master Plan subject to funding.</p> <p>1.2.1.2 Implement actions from the Recreation and Community Facilities Strategy subject to funding.</p> <p>1.2.2.1 Undertake the redevelopment of the East Fremantle Oval Precinct subject to budget parameters.</p>
Managing responsible growth and development	<p>3.1.1.1 Actively represent the local community in relation to any major planning development projects.</p> <p>3.1.2.1 Review and adopt the Local Planning Strategy.</p> <p>3.2.1.1 Finalise, advertise and implement major review of the Town Planning Scheme.</p> <p>3.2.1.2 Review Local Planning Policies – Residential Design Guidelines.</p> <p>3.2.1.4 Develop and implement Heritage Precincts.</p>
Traffic management	<p>2.2.1.2 Undertake regular and frequent parking patrols to ensure parking availability and turnover in the Town centres and George Street.</p> <p>3.3.2.3 Prepare and implement the Integrated Traffic Management and Movement Strategy.</p>

Record Keeping Plan (RKP)

The Town undertook the 5-year statutory review of the Record Keeping Plan (RKP) in 2018, which was approved by State Records in November 2018. The RKP includes a 5-year improvement plan, which has commenced. The RKP addresses the six recordkeeping principles each of which contains minimum compliance requirements:

- Principle One: Proper and Adequate Records
- Principle Two: Policies and Procedures
- Principle Three: Language Control
- Principle Four: Preservation
- Principle Five: Retention and Disposal
- Principle Six: Compliance

The Town is required to undertake a review of its Record Keeping Plan in 2023. Our Team recorded 20,537 corporate records in the report year.

National Competition Policy

The Competition Principles Agreement is an intergovernmental Agreement between the Commonwealth and State / Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government.

The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy. The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting. These are:

- Competitive Neutrality
- Structural Review of Public Monopolies
- Legislative Review

In accordance with the requirements of the National Competition Policy (NCP), the Town of East Fremantle makes the following disclosures for 2021-2022.



Competitive Neutrality

The objective of competitive neutrality is introducing measures which effectively remove any net competitive advantages arising as a result of government ownership of a business entity. The Town of East Fremantle has previously assessed its operations and considers that it does not have any business activity that would be classed as significant under the current guidelines.

The Town of East Fremantle does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise. All activities within the Town are continually being examined to identify opportunities to generate efficiency improvements. This must be balanced with the type and level of service provision and statutory requirements.

The number of activities to which competitive neutrality principles have been applied in the reporting period is zero.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is zero.

During the reporting period the Town did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Town.

Legislative Review

All local laws have been reviewed for compliance with NCP and all amendments to existing, and all future local laws are monitored to ensure no anti-competitive practices are included. In the year under review the Town undertook no activities that met the financial benchmark.

Structural Reform of Public Monopolies

The Town of East Fremantle is not classified as a natural monopoly, nor does it conduct any business activities that could be classified as public monopolies.

Register of Complaints (Rules of Conduct)

Minor breaches of the rules of conduct or a local law adopted in accordance with the Local Government Act 1995 by Council members and any action taken are recorded in a register of complaints. No complaints pursuant to the Rules of Conduct were received by the Town in the year under review.

Employee Remuneration

In accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 the Town is required to disclose the number of employees with an annual cash salary of more than \$130,000. The number of employees with an annual salary entitlement that falls within each band for 2021-2022 is as follows:

\$130,000 - \$140,000	0
\$140,000 - \$150,000	2
\$150,000 - \$160,000	0
\$170,000 - \$180,999	0
\$180,000 - \$190,000	0
\$190,000 - \$200,000	0
\$200,000 - \$210,000 (Chief Executive Officer)	1

Local Laws

The Town currently has nine (9) Local Laws:

- Waste Local Law 2017
- Waste Amendment Local Law 2017
- Meeting Procedure Local Law 2016
- Public Places and Local Government Property Local Law 2016
- Cat Local Law 2016
- Dog Local Law 2016
- Parking Local Law 2016
- Penalty Units Local Law 2016
- Fencing Local Law 2016

Pursuant to section 3.16 of the Local Government Act 1995, local governments are required to commence a periodic review of local laws every eight (8) years. The next review is due in 2024.



The Town was flying the Ukraine flag, every second day, in solidarity with Ukraine

Annual Financial Report 2021-2022

The Town received an unqualified audit report for the year ended 30 June 2022.



TOWN *of*
EAST FREMANTLE



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Statement by Chief Executive Officer

For the year ended 30 June 2022

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of East Fremantle for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Town of East Fremantle at 30 June 2022 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 23rd day of November 2022



Chief Executive Officer

Mr. Gary Tuffin

Name of Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	25(a),2(a)	8,302,387	8,289,211	7,988,354
Operating grants, subsidies and contributions	2(a)	1,082,054	984,759	1,167,731
Fees and charges	24(c),2(a)	1,382,038	1,328,630	1,333,141
Interest earnings	2(a)	72,311	105,000	49,133
Other revenue	2(a)	215,971	165,689	92,210
		11,054,761	10,873,289	10,630,569
Expenses				
Employee costs		(4,436,672)	(4,429,855)	(4,059,144)
Materials and contracts		(3,510,439)	(3,893,041)	(3,748,551)
Utility charges		(255,191)	(287,750)	(318,407)
Depreciation	9(a)	(2,071,668)	(2,571,177)	(2,513,795)
Finance costs	2(b)	(14,220)	(22,500)	(19,150)
Insurance		(197,780)	(215,216)	(187,201)
Other expenditure	2(b)	(798,313)	(775,034)	(692,904)
		(11,284,283)	(12,194,573)	(11,539,152)
		(229,522)	(1,321,284)	(908,583)
Capital grants, subsidies and contributions	2(a)	1,156,549	10,317,662	180,505
Profit on asset disposals	9(b)	32,651	148,940	1,430
Loss on asset disposals	9(b)	(4,738)	0	(80,927)
Fair value adjustments to financial assets at fair value through profit or loss	4	3,997	0	2,586
Share of net profit of associate accounted for using the equity method	20(b)	(47,410)	0	324,767
		1,141,049	10,466,602	428,361
Net result for the period	24(b)	911,527	9,145,318	(480,222)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	1,285,323	0	(9,702,402)
Share of comprehensive income of associates and joint ventures accounted for using the equity method		0	0	10,468
Total other comprehensive income for the period	15	1,285,323	0	(9,691,934)
Total comprehensive income for the period		2,196,850	9,145,318	(10,172,156)

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

Statement of Financial Position

As at 30 June 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,067,665	3,711,886
Trade and other receivables	5	252,401	294,462
Other assets	6	52,099	61,327
Assets classified as held for sale	6	1,442,619	0
TOTAL CURRENT ASSETS		8,814,784	4,067,675
NON-CURRENT ASSETS			
Trade and other receivables	5	95,847	64,586
Other financial assets	4	77,804	73,807
Investment in associate	20(a)	1,382,443	1,429,853
Property, plant and equipment	7	31,855,046	32,347,125
Infrastructure	8	38,970,743	38,921,827
Right-of-use assets	10(a)	238,311	276,841
TOTAL NON-CURRENT ASSETS		72,620,194	73,114,039
TOTAL ASSETS		81,434,978	77,181,714
CURRENT LIABILITIES			
Trade and other payables	11	1,854,813	1,192,841
Other liabilities	12	1,801,616	328,153
Lease liabilities	10(b)	38,617	37,499
Borrowings	13	98,204	104,343
Employee related provisions	14	718,704	667,795
TOTAL CURRENT LIABILITIES		4,511,954	2,330,631
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	216,187	253,765
Borrowings	13	99,537	174,953
Employee related provisions	14	83,117	95,032
TOTAL NON-CURRENT LIABILITIES		398,841	523,750
TOTAL LIABILITIES		4,910,795	2,854,381
NET ASSETS		76,524,183	74,327,333
EQUITY			
Retained surplus		33,211,629	33,798,518
Reserve accounts	28	2,484,209	985,793
Revaluation surplus	15	40,828,345	39,543,022
TOTAL EQUITY		76,524,183	74,327,333

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

Statement of Changes in Equity

For the year ended 30 June 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		34,273,282	991,251	49,234,956	84,499,489
Comprehensive income for the period					
Net result for the period		(480,222)	0	0	(480,222)
Other comprehensive income for the period	15	0	0	(9,691,934)	(9,691,934)
Total comprehensive income for the period		(480,222)	0	(9,691,934)	(10,172,156)
Transfers from reserves	28	746,331	(746,331)	0	0
Transfers to reserves	28	(740,873)	740,873	0	0
Balance as at 30 June 2021		33,798,518	985,793	39,543,022	74,327,333
Comprehensive income for the period					
Net result for the period		911,527	0	0	911,527
Other comprehensive income for the period	15	0	0	1,285,323	1,285,323
Total comprehensive income for the period		911,527	0	1,285,323	2,196,850
Transfers from reserves	28	43,720	(43,720)	0	0
Transfers to reserves	28	(1,542,136)	1,542,136	0	0
Balance as at 30 June 2022		33,211,629	2,484,209	40,828,345	76,524,183

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

Statement of Cash Flows

For the year ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,360,130	8,289,211	8,156,430
Operating grants, subsidies and contributions		1,085,066	962,573	1,236,629
Fees and charges		1,729,304	1,328,630	1,509,586
Interest received		72,311	105,000	49,044
Goods and services tax received		504,668	223,354	812,511
Other revenue		237,520	165,689	89,688
		<u>11,988,999</u>	<u>11,074,457</u>	<u>11,853,888</u>
Payments				
Employee costs		(4,402,142)	(4,429,855)	(4,106,243)
Materials and contracts		(3,391,069)	(3,893,041)	(5,308,750)
Utility charges		(255,191)	(287,750)	(318,407)
Finance costs		(14,220)	(22,500)	(19,150)
Insurance paid		(197,780)	(215,216)	(187,201)
Goods and services tax paid		(342,582)	(223,354)	(138,290)
Other expenditure		(770,984)	(775,034)	(692,904)
		<u>(9,373,968)</u>	<u>(9,846,750)</u>	<u>(10,770,945)</u>
Net cash provided by (used in) operating activities	16(b)	<u>2,615,031</u>	<u>1,227,707</u>	<u>1,082,943</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(1,154,983)	(15,730,400)	(338,794)
Payments for construction of infrastructure	8(a)	(657,402)	(765,064)	(677,628)
Non-operating grants, subsidies and contributions		2,627,000	10,317,662	439,760
Proceeds from sale of property, plant & equipment	9(b)	66,788	240,660	18,855
Net cash provided by (used in) investing activities		<u>881,403</u>	<u>(5,937,142)</u>	<u>(557,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(103,104)	(95,160)	(100,821)
Payments for principal portion of lease liabilities	27(d)	(37,551)	(45,000)	(29,367)
Proceeds from new borrowings	27(a)	0	5,000,000	0
Net cash provided by (used in) financing activities		<u>(140,655)</u>	<u>4,859,840</u>	<u>(130,188)</u>
Net increase (decrease) in cash held		<u>3,355,779</u>	<u>150,405</u>	<u>394,948</u>
Cash at beginning of year		<u>3,711,886</u>	<u>3,818,502</u>	<u>3,316,938</u>
Cash and cash equivalents at the end of the year	16(a)	<u>7,067,665</u>	<u>3,968,907</u>	<u>3,711,886</u>

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

Rate Setting Statement

For the year ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	26(b)	893,093	689,520	226,870
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		1,082,054	984,759	1,167,731
Fees and charges		1,382,038	1,328,630	1,333,141
Interest earnings		72,311	105,000	49,133
Other revenue		215,971	165,689	92,210
Profit on asset disposals	9(b)	32,651	148,940	1,430
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
Share of net profit of associates and joint ventures accounted for using the equity method		(47,410)	0	324,767
		<u>2,741,612</u>	<u>2,733,018</u>	<u>2,970,998</u>
Expenditure from operating activities				
Employee costs		(4,436,672)	(4,429,855)	(4,059,144)
Materials and contracts		(3,510,439)	(3,893,041)	(3,748,551)
Utility charges		(255,191)	(287,750)	(318,407)
Depreciation		(2,071,668)	(2,571,177)	(2,513,795)
Finance costs		(14,220)	(22,500)	(19,150)
Insurance		(197,780)	(215,216)	(187,201)
Other expenditure		(798,313)	(775,034)	(692,904)
Loss on asset disposals	9(b)	(4,738)	0	(80,927)
Loss on revaluation of non-current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
		<u>(11,289,021)</u>	<u>(12,194,573)</u>	<u>(11,620,079)</u>
Non-cash amounts excluded from operating activities	26(a)	2,092,869	2,422,237	2,268,742
Amount attributable to operating activities		<u>(6,454,540)</u>	<u>(7,039,318)</u>	<u>(6,380,339)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,156,549	10,317,662	180,505
Proceeds from disposal of assets	9(b)	66,788	240,660	18,855
Purchase of property, plant and equipment	7(a)	(1,154,983)	(15,730,400)	(338,794)
Purchase and construction of infrastructure	8(a)	(657,402)	(765,064)	(677,628)
		<u>(589,048)</u>	<u>(5,937,142)</u>	<u>(817,062)</u>
Amount attributable to investing activities		<u>(589,048)</u>	<u>(5,937,142)</u>	<u>(817,062)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(103,104)	(95,160)	(100,821)
Proceeds from borrowings	27(a)	0	5,000,000	0
Payments for principal portion of lease liabilities	27(d)	(37,551)	(45,000)	(29,367)
Transfers to restricted assets (unspent grants)		0	0	(316,844)
Transfers to reserves (restricted assets)	28	(1,542,136)	(2,126,477)	(740,873)
Transfers from reserves (restricted assets)	28	43,720	1,264,366	746,331
Amount attributable to financing activities		<u>(1,639,071)</u>	<u>3,997,729</u>	<u>(441,574)</u>
Surplus/(deficit) before imposition of general rates		<u>(7,789,566)</u>	<u>(8,289,211)</u>	<u>(7,412,105)</u>
Total amount raised from general rates	25(a)	8,302,387	8,289,211	7,988,354
Surplus/(deficit) after imposition of general rates	26(b)	<u>512,821</u>	<u>0</u>	<u>576,249</u>

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

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Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease.

All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town 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 measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Judgements and estimates

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers
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/Refund/Warranities	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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	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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
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	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligation	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - 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	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 of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

2. REVENUE AND EXPENSES (Continued)

1) Revenue (Continued)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	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
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Fees and charges - property hire	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges for other goods and services	Reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed
Fees & Charges Mooring Pen Fees	Leasing Mooring Pen	Single point in time	Payment in full in advance	Contract	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction on cancellation	On entry or at conclusion of hire
Fees & Charges - Property Leases	Leasing of Commercial or Residential Properties	Single point in time	Payment in full in advance	Contract	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction on	On entry or at conclusion of hire

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
Rates	0	0	8,302,387	0	8,302,387
Operating grants, subsidies and contributions	1,082,054	0	0	0	1,082,054
Fees and charges	843,239	0	538,799	0	1,382,038
Interest earnings	0	0	52,143	20,168	72,311
Other revenue	78,982	0	137,009	0	215,971
Capital grants, subsidies and contributions	0	1,156,549	0	0	1,156,549
Total	2,004,255	1,156,549	9,030,338	20,168	12,211,310

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
Rates	0	0	7,988,354	0	7,988,354
Operating grants, subsidies and contributions	1,167,731	0	0	0	1,167,731
Fees and charges	1,008,484	0	323,877	0	1,333,141
Interest earnings	4	0	37,046	12,087	49,137
Other revenue	92,210	0	0	0	92,210
Capital grants, subsidies and contributions	0	180,505	0	0	180,505
Total	2,269,408	180,505	8,349,077	12,087	10,811,078

Note	2022		2021	
	Actual	Budget	Actual	Actual
Interest earnings	\$	\$	\$	\$
Interest on reserve funds	7,323	10,000	3,706	
Rates instalment and penalty interest (refer Note 25(c))	52,143	75,000	37,046	
Other interest earnings	12,845	20,000	8,381	
Total	72,311	105,000	49,133	
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report	49,860	55,000	43,396	
	49,860	55,000	43,396	
Finance costs				
Borrowings	7,146	14,500	11,172	
Lease liabilities	7,074	8,000	7,978	
	14,220	22,500	19,150	
Other expenditure				
Sundry expenses	798,313	775,034	692,904	
	798,313	775,034	692,904	

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

3. CASH AND CASH EQUIVALENTS

Note	2022	2021
	\$	\$
Cash at bank and on hand	3,885,073	2,227,221
Term deposits	3,182,592	1,484,665
Total cash and cash equivalents	7,067,665	3,711,886
Held as		
- Unrestricted cash and cash equivalents	2,781,840	2,409,249
- Restricted cash - Contract Liabilities from Contracts with Customers	12 71,910	57,589
- Restricted cash - Grants for transfers for recognisable Non-Financial Asset	12 1,729,706	259,255
- Restricted cash and cash equivalents (Reserves)	16(a) 2,484,209	985,793
	7,067,665	3,711,886

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.

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to 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.

Details of restrictions on financial assets can be found at Note 16.

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2022	2021
\$	\$
77,804	73,807
77,804	73,807
77,804	73,807
77,804	73,807

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

The Town 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 Town has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for credit losses of trade and other receivables	
Loan receivables - Clubs	
Other receivables	

Note	2022	2021
	\$	\$
	76,390	162,223
	55,012	81,861
	131,356	73,736
21(b)	(19,011)	(26,358)
	3,000	3,000
	5,654	0
	<u>252,401</u>	<u>294,462</u>
	66,925	46,586
	15,000	18,000
	13,922	0
	<u>95,847</u>	<u>64,586</u>

Non-current

Pensioner's rates and ESL deferred	
Loan receivables - Clubs	
Other receivables	

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

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

Classification and subsequent measurement

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Town 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 2022

6. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2022	2021
	\$	\$
Prepayments	45,768	37,041
Accrued income	6,331	24,286
	<u>52,099</u>	<u>61,327</u>
Land and Buildings - 128 George St	1,442,619	0
	<u>1,442,619</u>	<u>0</u>

Non-current assets held for sale

Land and Buildings - 128 George St

Land and buildings classified as held for sale

Council at its ordinary council meeting held on 21 June 2022 resolved to appoint a selling agent for the disposal of 128 and 128A George Street (Land and Buildings) by way of auction. The auction date was 13 August 2022.

In accordance with AASB5.20 and AASB5.37 an impairment loss of \$27,329 has been recognised on the re-measurement of the asset classified as held for sale, being the selling costs.

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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 held for sale (Continued)

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 7 (b)(i).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised - level 2	Buildings - non-specialised - Level 3	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	4,330,900	55,500	604,000	27,320,601	32,311,001	272,101	945,354	0	33,528,456
Additions	0	0	0	34,415	34,415	85,921	204,458	14,000	338,794
Disposals	0	0	0	(33,201)	(33,201)	(8,506)	(17,758)	0	(59,465)
Assets expensed to P+L	0	0	0	0	0	0	(38,887)	0	(38,887)
Depreciation	0	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(62,213)	(290,160)	0	(1,483,691)
Transfers	0	0	0	0	0	0	61,918	0	61,918
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,303	864,925	14,000	32,347,125
Comprises:									
Gross balance amount at 30 June 2021	4,330,900	55,500	604,000	27,321,815	32,312,215	390,263	1,369,999	14,000	34,086,477
Accumulated depreciation at 30 June 2021	0	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(102,960)	(505,074)	0	(1,739,352)
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,303	864,925	14,000	32,347,125
Additions	0	0	0	20,607	20,607	13,324	129,876	991,176	1,154,983
Disposals	0	0	0	0	0	0	(38,875)	0	(38,875)
Revaluation increments / (decrements) transferred to revaluation surplus	1,268,100	17,223	0	0	1,285,323	0	0	0	1,285,323
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	0	0
Tf to Assets classified as held for sale	(1,400,000)	(89,949)	0	0	(1,469,949)	0	0	0	(1,469,949)
Impairment (losses) / reversals	0	0	0	0	0	0	0	0	0
Depreciation	0	(1,387)	(47,403)	(1,085,272)	(1,134,062)	(73,917)	(215,582)	0	(1,423,561)
Transfers	0	0	0	0	0	0	0	0	0
Balance at 30 June 2022	4,199,000	0	509,195	25,174,621	29,882,816	226,710	740,344	1,005,176	31,855,046
Comprises:									
Gross balance amount at 30 June 2022	4,199,000	0	604,000	27,342,422	32,145,422	403,587	1,416,749	1,005,176	34,970,934
Accumulated depreciation at 30 June 2022	0	0	(94,805)	(2,167,801)	(2,262,606)	(176,877)	(676,405)	0	(3,115,888)
Balance at 30 June 2022	4,199,000	0	509,195	25,174,621	29,882,816	226,710	740,344	1,005,176	31,855,046

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		Level 2	Market approach using recent observable market data for similar properties/income approach using discount cash flow methodology.	Independent Registered Valuers	June 2022	Price per hectare / market borrowing rate.
Land		Level 3	Adjusted market approach using recent observable market data for similar urban fringe properties that are not cleared or developed/income approach using discount cash flow methodology.	Independent Registered Valuers	June 2022	Adjusted Price per hectare / market borrowing rate. Where there is no comparable sales or income approach to the land assets being valued, the default valuation approach is the Level 3 input, and reflects that the Town has departed from what is deemed to be no longer comparable rates and or values.
Buildings - non-specialised - level 2		Level 2	Market approach using recent observable market data for similar properties/income approach using discount cash flow methodology.	Independent Registered Valuers	June 2022	Improvements to land using construction costs and current condition, residual values and remaining useful life assessment.
Buildings - non-specialised - level 3		Level 3	Improvements to land (in-situ buildings) using cost approach of depreciated replacement cost.	Independent Registered Valuers	June 2020	Improvements to land (in-situ buildings) using construction costs and current condition, residual values and remaining useful life assessment.
Buildings - specialised		Level 3	Improvements to land (in-situ buildings) using cost approach of depreciated replacement cost.	Independent Registered Valuers	June 2020	Improvements to land (in-situ buildings) using construction costs and current condition, residual values and remaining useful life assessment.

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements (Continued)

(ii) Fair value measurements using significant unobservable inputs (Level 3)

For the 2021/22 financial year, the Town reviewed its fair value approach for all land assets. Land assets which are all either public purpose or park & recreation zoned land assets are very rarely traded or sold so there is limited direct market comparable sales evidence. Consistent with the approach of the Landgate Asset Section in WA, when valuing similar types of non-market or traded land assets urban fringe land assets that are typically large parcels of englobo land areas that are not cleared or developed are considered. This information is then used as the typical base rate per hectare or square meter and then adjusted to reflect the specific locality of the land being valued along with its use as cleared public open space or recreation land.

In the case of specific land parcels for the Town of East Fremantle, land assets valued using level 3 inputs are typically small and irregular shaped lots, therefore development potential is limited as well as restricted under the Town Planning Scheme. These land assets are generally parks, drainage swamps and land adjacent to road corridors where the Town holds freehold title.

The review of inputs for the valuation of land assets has resulted in \$289,000 of land assets being transferred from Level 2 to Level 3 within the fair value hierarchy.

The Town's policy for determining any transfers into or out of Level 3 fair value hierarchy is determined at the end of the reporting period.

	2022
	Land
Fair value at start of period (L3)	0
Additions	0
Transfers from Level 2	289,000
Depreciation	0
Fair value at end of period (L3)	289,000

(iii) Cost	Valuation Technique	Basis of Valuation	Inputs Used
	Furniture and equipment	Cost	Cost
Plant and equipment	Cost	Cost	Purchase cost

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Footpaths and Cycleways	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Infrastructure - Work in Progress	Other Infrastructure - Work in Progress	Total Infrastructure
Balance at 1 July 2020	\$ 31,616,403	\$ 1,988,254	\$ 6,115,557	\$ 5,717,629	\$ 3,486,730	\$ 107,375	\$ 0	\$ 0	\$ 49,031,948
Additions	252,255	0	255,057	170,316	0	0	0	0	677,628
Revaluation increments / (decrements) transferred to revaluation surplus	(6,633,617)	2,283,408	(2,053,127)	(282,876)	(1,152,640)	116,460	0	0	(9,702,402)
Assets expensed to Profit & Loss	(593,767)	(41,228)	(218,974)	(98,327)	(33,654)	(4,278)	0	0	(990,228)
Depreciation									(33,201)
Transfers			(61,918)						(61,918)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	0	0	38,921,827
Comprises:									
Gross balance at 30 June 2021	22,641,274	4,230,434	4,101,110	5,526,742	2,300,436	219,547	0	0	39,019,543
Accumulated depreciation at 30 June 2021	0	0	(97,716)	0	0	0	0	0	(97,716)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	0	0	38,921,827
Additions	0	223,808	204,475	184,619	29,500	0	15,000	0	657,402
Depreciation	(314,829)	(53,562)	(117,119)	(86,622)	(28,055)	(8,299)	0	0	(608,486)
Balance at 30 June 2022	22,326,445	4,400,680	4,090,750	5,624,739	2,301,881	211,248	15,000	0	38,970,743
Comprises:									
Gross balance at 30 June 2022	22,641,274	4,454,242	4,305,685	5,711,361	2,329,936	219,547	15,000	0	39,676,945
Accumulated depreciation at 30 June 2022	(314,829)	(53,562)	(214,835)	(86,622)	(28,055)	(8,299)	0	0	(706,202)
Balance at 30 June 2022	22,326,445	4,400,680	4,090,750	5,624,739	2,301,881	211,248	15,000	0	38,970,743

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.
	Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.
	Infrastructure - Parks & Ovals	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.
	Infrastructure - Footpaths & Cycleways	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.
	Infrastructure - Car Parks	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.
	Infrastructure - Bus Shelters	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuation	June 2021	Construction cost and current condition, residual value and remaining useful life assessments (level 3) inputs.

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

The Town of East Fremantle (Town) is required to undertake a revaluation of their assets in accordance with the requirements of the Local Government (Financial Management) Regulations 1996. During the period there were no changes in the valuation techniques to determine the fair value of infrastructure using level 3 inputs.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised - level 2	7(a)	1,387	1,388	1,387
Buildings - non-specialised - Level 3	7(a)	47,403	47,403	47,402
Buildings - specialised	7(a)	1,085,272	1,088,341	1,082,529
Furniture and equipment	7(a)	73,917	76,519	62,213
Plant and equipment	7(a)	215,582	285,846	290,160
Infrastructure - Roads	8(a)	314,829	612,010	593,767
Infrastructure - Drainage	8(a)	53,562	46,832	41,228
Infrastructure - Parks and Ovals	8(a)	117,119	233,568	218,974
Infrastructure - Footpaths and Cycleways	8(a)	86,622	101,461	98,327
Infrastructure - Car Parks	8(a)	28,055	33,655	33,654
Infrastructure - Bus Shelters	8(a)	8,299	4,278	4,278
Right of use assets	10(a)	39,621	39,876	0
		2,071,668	2,571,177	2,513,795

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
Buildings	3 to 50 years
Furniture and equipment	2 to 20 years
Plant and equipment	2 to 20 years
Plant and equipment - Motor Vehicles - Light Fleet	2 to 10 years
Plant and equipment - Motor Vehicles - Heavy Fleet	5 to 10 years
Sealed roads, streets and carparks formation (subgrade)	not depreciated
Sealed pavement (roads/carparks)	85 to 100 years
Surface (roads/carparks)	30 to 35 years
Kerbing	60 years
Surface water channels (roads/carparks)	55 to 60 years
Footpaths	40 to 80 years
Bus Shelter	25 to 30 years
Drainage - Pit	80 years
Drainage - Pipe	80 years
Right-of-use (river seabed)	Based on the remaining lease
Parks and Ovals - minor structure polygon	10 to 70 years
Parks and Ovals - playground polygon	27 years
Parks and Ovals - amenities	20 to 25 years
Parks and Ovals - bin	15 to 20 years
Parks and Ovals - lighting	20 years
Parks and Ovals - playground point	15 to 25 years
Parks and Ovals - playground lines	40 to 70 years
Parks and Ovals - sign	15 to 40 years
Parks and Ovals - fence	25 to 70 years
Parks and Ovals - gate	15 to 40 years
Parks and Ovals - irrigation	30 to 35 years
Parks and Ovals - minor structure	20 to 25 years
Parks and Ovals - other improvements	20 to 25 years

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022		2022		2022		2022		2021		2021	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	2022 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	2022 Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	2021 Actual Loss
Infrastructure - Parks and Ovals	0	0	0	0	0	0	0	0	33,201	0	0	(33,201)
Furniture and equipment	0	0	0	0	0	0	0	0	8,506	0	0	(8,506)
Plant and equipment	38,875	66,788	32,851	(4,738)	91,720	240,660	148,940	0	56,645	18,855	1,430	(39,220)
	38,875	66,788	32,851	(4,738)	91,720	240,660	148,940	0	98,352	18,855	1,430	(80,927)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Recreation and culture				
PEMV245 - Mitsubishi Fuso Tip Truck	23,713	56,364	32,651	0
PE279 - John Deere Green Gator	15,162	10,424	0	(4,738)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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 Town 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 scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

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 Town.

At the end of each period the carrying amount for each asset class 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.

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. 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
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

10. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - Land - Property, Plant and Equipment \$	Right-of-use assets Total \$
Balance at 1 July 2020		319,009	319,009
Adjustments		(2,292)	(2,292)
Depreciation		(39,876)	(39,876)
Balance at 30 June 2021		276,841	276,841
Adjustments		1,091	1,091
Depreciation	9(a)	(39,621)	(39,621)
Balance at 30 June 2022		238,311	238,311

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(39,621)	(39,876)
Interest expense on lease liabilities	27(d)	(7,074)	(7,978)
Total amount recognised in the statement of comprehensive income		(46,695)	(47,854)
Total cash outflow from leases		(44,625)	(37,345)

(b) Lease Liabilities

Current		38,617	37,499
Non-current		216,187	253,765
	27(d)	254,804	291,264

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Town 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 Town uses its incremental borrowing rate.

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

Details of individual lease liabilities required by regulations are provided at Note 27(d).

Right-of-use assets - valuation measurement

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 9 under revaluation 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 shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Town anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

10. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

2022 Actual \$	2021 Actual \$
299,708	248,212
196,067	196,602
181,187	154,380
179,903	141,310
178,521	141,310
1,019,642	1,103,419
<u>2,055,028</u>	<u>1,985,233</u>

SIGNIFICANT ACCOUNTING POLICIES

The Town as Lessor

Upon entering into each contract as a lessor, the Town assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Town applies AASB 15 to allocate the consideration under the contract to each component.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held

2022	2021
\$	\$
1,035,605	531,241
98,455	106,206
30,976	13,841
89,393	109,234
600,384	432,319
1,854,813	1,192,841

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Town 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 2022

12. OTHER LIABILITIES

Current

Contract Liabilities - Unspent operating grants
Contract Liabilities - Accrued Income
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contract liabilities at the start of the period

The Town expects to satisfy the performance obligations from contracts liabilities unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied

	2022	2021
	\$	\$
Contract Liabilities - Unspent operating grants	71,910	57,589
Contract Liabilities - Accrued Income	0	11,309
Capital grant/contributions liabilities	1,729,706	259,255
	<u>1,801,616</u>	<u>328,153</u>
Reconciliation of changes in contract liabilities		
Opening balance	68,898	0
Additions	39,430	68,898
Revenue from contract liabilities at the start of the period	(36,418)	0
	<u>71,910</u>	<u>68,898</u>
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	259,255	0
Additions	1,698,229	259,255
Revenue from capital grant/contributions held as a liability at the start of the period	(227,778)	0
	<u>1,729,706</u>	<u>259,255</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,729,706	259,255

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		98,204	99,537	197,741	104,343	174,953	279,296
Total secured borrowings	27(a)	98,204	99,537	197,741	104,343	174,953	279,296

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Town of East Fremantle.

The Town of East Fremantle has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

Details of individual borrowings required by regulations are provided at Note 27(a).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Other employee provisions

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	409,658	410,691
Long Service Leave	265,516	230,014
Other employee provisions	43,530	27,090
	718,704	667,795
Long Service Leave	83,117	95,032
	83,117	95,032
	801,821	762,827

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	2022	2021
	\$	\$
Less than 12 months after the reporting date	328,917	314,593
More than 12 months from reporting date	472,904	448,234
	801,821	762,827

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

Other long-term employee benefits

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

The Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town 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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	2022 Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Total Movement on Revaluation	2021 Closing Balance
Revaluation surplus - Land - freehold land	\$ 3,840,900	\$ 1,268,100	\$ 0	\$ 1,268,100	\$ 5,109,000	\$ 3,840,900	\$ 0	\$ 0	\$ 0	\$ 3,840,900
Revaluation surplus - Buildings - non-specialised - level 2	0	17,223	0	17,223	17,223	0	0	0	0	0
Revaluation surplus - Buildings - specialised	11,158,410	0	0	0	11,158,410	11,158,410	0	0	0	11,158,410
Revaluation surplus - Buildings - non-specialised - Level 3	585,380	0	0	0	585,380	585,380	0	0	0	585,380
Revaluation surplus - Plant and equipment	469,638	0	0	0	469,638	469,638	0	0	0	469,638
Revaluation surplus - Infrastructure - roads	15,205,424	0	0	0	15,205,424	23,839,041	0	(8,633,617)	(8,633,617)	15,205,424
Revaluation surplus - Infrastructure - Drainage	3,341,189	0	0	0	3,341,189	1,057,781	2,283,408	0	2,283,408	3,341,189
Revaluation surplus - Infrastructure - Parks and Ovals	1,799,044	0	0	0	1,799,044	3,852,171	0	(2,053,127)	(2,053,127)	1,799,044
Revaluation surplus - Infrastructure - Footpaths and Cyclewa	2,331,013	0	0	0	2,331,013	2,593,889	0	(262,876)	(262,876)	2,331,013
Revaluation surplus - Infrastructure - Car Parks	216,407	0	0	0	216,407	1,359,047	0	(1,152,640)	(1,152,640)	216,407
Revaluation surplus - Infrastructure - Bus Shelters	116,450	0	0	0	116,450	0	116,450	0	116,450	116,450
Revaluation surplus - Share of other comprehensive income	479,167	0	0	0	479,167	468,669	10,468	0	10,468	479,167
Revaluation surplus - Investment in associate	39,543,022	1,285,323	0	1,285,323	40,828,345	49,234,956	2,410,326	(12,102,260)	(9,691,934)	39,543,022

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	7,067,665	3,968,907	3,711,886
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	2,484,209	1,870,090	985,793
		<u>2,484,209</u>	<u>1,870,090</u>	<u>985,793</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	28	2,484,209	1,870,090	985,793
Total restricted financial assets		<u>2,484,209</u>	<u>1,870,090</u>	<u>985,793</u>

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

Net result		911,527	9,145,318	(480,222)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(3,997)	0	(2,586)
Population adjustment to share of SMRC loan liability		21,549	0	(2,522)
Depreciation/amortisation		2,071,668	2,571,177	2,513,795
(Profit)/loss on sale of asset		(27,913)	(148,940)	79,497
Share of net profit of associate accounted for using the equity method		47,410	0	(324,767)
Impairment loss on recognition of asset held for sale		27,329	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		10,800	0	360,871
(Increase)/decrease in other assets		9,229	0	(26,757)
Increase/(decrease) in trade and other payables		661,972	0	(887,757)
Increase/(decrease) in employee related provisions		38,994	0	(35,002)
Increase/(decrease) in other liabilities		1,473,463	(22,186)	328,153
Non-operating grants, subsidies and contributions		(2,627,000)	(10,317,662)	(439,760)
Net cash provided by/(used in) operating activities		<u>2,615,031</u>	<u>1,227,707</u>	<u>1,082,943</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(5,245)	(2,518)
Total amount of credit unused	<u>1,014,755</u>	<u>1,017,482</u>

Loan facilities

Loan facilities - current	98,204	104,343
Loan facilities - non-current	99,537	174,953
Total facilities in use at balance date	<u>197,741</u>	<u>279,296</u>

Unused loan facilities at balance date

	0	0
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Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

17. CONTINGENT LIABILITIES

(a) Regional Resource Recovery Centre (RRRC) - Lending Facility

The Town is a participant in the RRRC. The project was established through the Southern Metropolitan Regional Council (SMRC) and involved the cities of Canning, Cockburn, Fremantle, Melville and the Town of East Fremantle in the development of a waste processing plant and a recyclable and green waste facility at Canning Vale.

The capital construction of the RRRC facility was funded by borrowings from the Western Australian Treasury Corporation (WATC). A \$40m lending facility was initially set up for this purpose (repayable over a term of 20 years) and this facility has since been extended to a total of \$55m. The SMRC administers the borrowings with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The Town's estimated share of the project funding is based on population percentages as derived from the Australian Bureau of Statistics census. These are now revised yearly over the life of the lending facility.

As at 30 June 2021, the balance outstanding against the lending facility stood at \$6,629,191 with the Town's share of this liability being \$203,516 (3.07%).

As at 30 June 2022, the balance outstanding against the lending facility stood at \$3,230,389 with the Town's share of this liability being \$98,204 (3.04%).

		2022	2021
Liability Share	\$	98,204	203,516
Liability Sharing Ratio	%	3.04	3.07

The Town has no reason to believe the SMRC would be unable to meet its future obligations in relation to the payment of the loan facility and does not currently expect to make any payments in relation to the loan facility. Should a payment be required there is no possibility of any reimbursement.

(b) Southern Metropolitan Regional Council (SMRC) - Office Project

As a SMRC participant, Council has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its 'general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2m.

As at 30 June 2021, the balance outstanding against the lending facility stood at \$1.8m with the Town's share of this liability being \$75,780 (4.21%).

As at 30 June 2022, the balance outstanding against the lending facility stood at \$1.8m with the Town's share of this liability being \$99,537 (5.53%).

		2022	2021
Liability Share	\$	99,537	75,780
Liability Sharing Ratio	%	5.53	4.21

The Town has no reason to believe the SMRC would be unable to meet its future obligations in relation to the payment of the loan facility and does not currently expect to make any payments in relation to the loan facility. Should a payment be required there is no possibility of any reimbursement.

(c) Southern Metropolitan Regional Council (SMRC) - Remediation Costs

The SMRC has made provision for remediation costs (make good provision for lease) in relation to the decommissioning and restoration of the land upon which its operations are based. Since the Town accounts for its share in the SMRC by way of an investment in associate, this provision is inherently included in the Town's share of the net assets of the SMRC. As such, the Town is not required to make any provisions for these remediation costs. Any movement in this provision will be negligible and the Town does not identify any financial risk associated with this provision.

(d) Bank Guarantee

The Town has provided a bank guarantee in favour of the Department of Parks and Wildlife for the amount of \$41,676.

The bank guarantee has been issued in accordance with the requirements of the Riverbed lease for the boat pens in the Swan River, East Fremantle.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

17. CONTINGENT LIABILITIES (continued)

(e) Possible Contaminated Sites – East Fremantle Yacht Club and Swan Yacht Club

By way of a Management Order the East Fremantle Yacht Club and Swan Yacht Club sites are under the care and control of the Town of East Fremantle. These two sites are not registered on the Contaminated Sites Database, however memorials have been registered (on instruction by the Department of Environment and Conservation) against the land titles under section 58 of the Contaminated Sites Act 2003, with the site classification as 'Possibly Contaminated – Investigation Required'. The two sites were investigated in 2007, as commissioned by the then Swan River Trust (DBCA) and subsequently are not listed as 'Contaminated' on the Department of Water and Environments Contaminated Sites Database. A memorial is placed on all yacht clubs on the Swan River due to the legacy presence of TBT's (Tributyltin) emanating from poor practises in boat maintenance such as scraping and sanding anti-foul paint combined with poor drainage leading to TBT's in paint flecks washing into the River and trapped in sediment.

TBT's break down naturally over time. The memorial serves the following purposes:

1. to provide advice on how to improve practises in boat maintenance
2. to manage any sediment disturbance such as dredging via license from DBCA

The Town has been advised:

- that the two sites in East Fremantle are low risk and low priority in the view of Department of Water and Environmental Regulation (DWER) – due to the low levels of contaminants and flushing effects of the tides in this part of the River; and
- that there was no need for further investigation unless the Town believed that there were unsafe work practises occurring or unless the Town seeks to have the memorial removed.

The Town has not conducted any further investigations to determine the presence and scope of contamination, or to further assess the risk, and on a risk based approach, the Town has not estimated any potential costs associated with remediation of these sites.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

18. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

	2022	2021
	\$	\$
- capital expenditure projects (Infrastructure)	0	37,478
- capital expenditure projects (Plant & Equipment)	1,662,437	63,531
- contract liabilities for capital works	1,698,229	259,255
	3,360,666	360,264

Payable:

- not later than one year	3,360,666	360,264
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Capital expenditure projects with committed expenditure outstanding at the end of the current reporting period are:

Public Art Program	57,849
East Fremantle Oval Redevelopment Project	1,604,588

The above capital expenditure commitments relate to open purchase orders, whereby work is still currently being undertaken at 30 June 2022 (WIP), or goods and/or services have not been provided to the Town at the end of the reporting period.

Contract liabilities for capital works:

John Tonkin Foreshore Stabilisation - Riverbank Funding	75,000
East Fremantle Oval Redevelopment Project - DLGSC	1,571,229
Nature Playground - DLGSC	52,000

(b) Operating Expenditure Commitments

- (i) The Town of East Fremantle is a member of the South West Group which operates under an agreed charter to collaborate on resource sharing and regional advocacy. Payments made to the South West Group are considered as a normal transaction with the Host Council (City of Melville). There is an annual fixed fee payable under the Charter, as detailed below:

	2022	2021
	\$	\$
Payable:		
- not later than one year	54,131	43,179
	54,131	43,179

- (ii) The Town of East Fremantle is a member of the Southern Metropolitan Regional Council (SMRC). Under the Establishment Agreement, member local governments are required to provide an annual contribution towards the operating expenses of the SMRC, covering the following activities; Governance, Office Project, Research and Development, Communication and Education.

	2022	2021
	\$	\$
Payable:		
- not later than one year	32,674	28,072
- later than one year but not later than five years	130,698	112,288
	163,372	140,360

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Mayor J. O'Neill			
Mayor Annual Allowance	28,000	28,000	28,000
Meeting attendance fees	25,000	25,000	25,000
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>56,500</u>	<u>56,500</u>	<u>56,500</u>
Cr J. Harrington (elected to October 2021)			
Deputy Mayor Annual Allowance	2,032	7,000	7,000
Meeting attendance fees	4,501	15,500	15,504
Annual allowance for ICT expenses	1,016	3,500	3,500
	<u>7,549</u>	<u>26,000</u>	<u>26,004</u>
Cr K. Donovan			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>19,004</u>	<u>19,000</u>	<u>19,004</u>
Cr A. McPhail			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>19,004</u>	<u>19,000</u>	<u>19,004</u>
Cr M. McPhail (elected to October 2021)			
Meeting attendance fees	2,584	15,500	15,504
Annual allowance for ICT expenses	583	3,500	3,500
	<u>3,167</u>	<u>19,000</u>	<u>19,004</u>
Cr D. Nardi			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>19,004</u>	<u>19,000</u>	<u>19,004</u>
Cr A. Watkins (elected to October 2021)			
Meeting attendance fees	4,501	15,500	15,504
Annual allowance for ICT expenses	1,016	3,500	3,500
	<u>5,517</u>	<u>19,000</u>	<u>19,004</u>
Cr C. Collinson			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>19,004</u>	<u>19,000</u>	<u>19,004</u>
Cr T. Natale			
Deputy Mayor Annual Allowance	4,949	0	0
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,500	3,500
	<u>23,953</u>	<u>19,000</u>	<u>19,004</u>
Cr L. Mascaro (elected October 2021)			
Meeting attendance fees	10,961	0	0
Annual allowance for ICT expenses	2,474	0	0
	<u>13,435</u>	<u>0</u>	<u>0</u>
Cr M. Wilson (elected October 2021)			
Meeting attendance fees	10,961	0	0
Annual allowance for ICT expenses	2,474	0	0
	<u>13,435</u>	<u>0</u>	<u>0</u>
Cr A. White (elected October 2021)			
Meeting attendance fees	10,961	0	0
Annual allowance for ICT expenses	2,474	0	0
	<u>13,435</u>	<u>0</u>	<u>0</u>
	<u>213,007</u>	<u>215,500</u>	<u>215,532</u>
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	<u>2022 Actual \$</u>	<u>2022 Budget \$</u>	<u>2021 Actual \$</u>
Mayor's annual allowance	28,000	28,000	28,000
Deputy Mayor's annual allowance	6,981	7,000	7,000
Meeting attendance fees	146,989	149,000	149,032
Annual allowance for ICT expenses	31,037	31,500	31,500
19(b)	<u>213,007</u>	<u>215,500</u>	<u>215,532</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

19. RELATED PARTY TRANSACTIONS

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	635,714	578,033
Post-employment benefits	92,499	90,178
Employee - other long-term benefits	61,395	54,022
Employee - termination benefits	0	0
Council member costs	213,007	215,532
19(a)	1,002,615	937,765

Short-term employee benefits

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

Post-employment benefits

These amounts are the current-year's cost of the Town's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements 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).

Council member costs

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

(c) Transactions with related parties

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual \$	2021 Actual \$
Purchase of goods and services	586,959	663,532
Loan Repayments (including interest and guarantee fee)	111,161	111,082
Annual contribution towards operating expenditure	28,236	31,900
Amounts payable to related parties:		
Trade and other payables	48,121	1,090

(d) Related Parties

The Town'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 council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Town under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Town.

iii. Entities subject to significant influence by the Town

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.

The Town of East Fremantle is a participant in the Canning Vale Regional Resource Recovery Centre (RRRC). The RRRC is controlled by a regional local government established in accordance with the *Local Government Act 1995*. The regional local government, being the Southern Metropolitan Regional Council, consists of four local governments which are participants in the Canning Vale RRRC. Participating local governments are required to contribute an annual fee to cover the capital cost in the establishment of the facility and pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs. Transactions between parties are on normal commercial terms.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

20. INVESTMENT IN ASSOCIATES

(a) Investment in associate

Set out in the table below are the associates of the Town. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2022	2021
	2022	2021	Actual	Actual
			\$	\$
Southern Metropolitan Regional Council (SMRC) - Existing Undertakings Proportional Equity Share	5.37%	4.36%		
Southern Metropolitan Regional Council (SMRC) - Office Accommodation Project Proportional Equity Share	5.43%	4.36%		
Southern Metropolitan Regional Council (SMRC) - RRRC Project Proportional Equity Share	5.36%	5.35%		
Southern Metropolitan Regional Council (SMRC) - Consolidated			1,382,443	1,429,853
Total equity-accounted investments			1,382,443	1,429,853

(b) Share of Investment in SMRC

The Southern Metropolitan Regional Council (SMRC) is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, Fremantle, East Fremantle, Kwinana, Melville and Rockingham.

Contractual sharing arrangements exist between the Town and the Southern Metropolitan Regional Council (SMRC), a legal constituted regional local government entity, for the provision of waste services. Control of the SMRC rests with the SMRC Council, which is comprised of a member from each participant Council.

According to clause 6.4 of the Establishment Agreement, a decision to proceed with a project, by project participants, is required to be unanimous. All other decisions of the SMRC require a simple majority, with the exception of decisions requiring an absolute majority in accordance with the Local Government Act 1995 and the decision to consider a project proposal.

As the Town currently has 33.33% voting rights in the SMRC, it is considered to have significant influence over the SMRC and meets the definition of an associate under AASB 128.3. Investment in the SMRC as an associate is required by AASB 128.16 to be accounted for using the Equity Method.

Member local governments may participate in regional projects that are governed by a Participants Project Agreement. There are two core projects, being:

1. The Regional Resource Recovery Centre (RRRC) Project, and;
2. The Office Accommodation Project

Both projects were established through separate project participants' agreements. In addition to the above two projects, the support activities of the SMRC such as Administrative activities, Education and Marketing, Research and Development, are referred to as Existing Undertakings.

Over the period the following local governments have since withdrawn from the Regional Council: City of Canning in June 2010, City of Rockingham in June 2012, the City of Cockburn in June 2019 and City of Kwinana in June 2021.

(a) Existing Undertakings

The historical annual contributions made by Participants to the Existing Undertakings are used to determine the proportional contribution percentage of each Participant to the Existing Undertakings.

The Town's share as at 30 June 2022:

SMRC Existing Undertakings Proportional Equity Share 5.37%

(b) Regional Resource Recovery Centre (RRRC) Project

RRRC Project Participants shall make an annual contribution towards the acquisition of any asset of a capital nature required by the Project, plus pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs.

The annual contribution shall be an amount which bears the same proportion to the cost of the acquisition disclosed in the Project Budget for the financial year as the Population of the Project Participant bears to the total of the Populations of all Project Participants.

The capital costs for each participating Local Government member is based on the Australian Bureau of Statistics population statistics. Each project participant will develop equity in the project equal to the relevant proportion of the total capital loan repayments made by that project participant.

The Town's share as at 30 June 2022:

RRRC Project Proportional Equity Share 5.36%

RRRC - Lending Facility

The Capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). The lending facility will be fully repaid on 30 June 2023.

The SMRC administer the borrowings with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The Town guaranteed by way of agreement to its share of the loan liability to the SMRC and the WATC. The Town's estimated share of the project funding is based on population percentages as derived from the Australian Bureau of Statistics census. These are revised yearly over the life of the lending facility.

As at 30 June 2022, the balance outstanding against the lending facility stood at:

with the Town's share of this liability being: \$3,230,389

using the current cost/profit sharing percentage of: \$98,204

3.04%

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

20. INVESTMENT IN ASSOCIATES (Continued)

(b) Share of Investment in SMRC (Continued)

(c) Office Accommodation Project

The Office Accommodation Project pertains to SMRC's Office located at 9 Aldous Place, Booragoon, Western Australia. The Town's equity share of the project is based on proportional population.

The Town's share as at 30 June 2022:

Office Accommodation Project Proportional Equity Share 5.43%

Office Accommodation - Lending facility

As a SMRC participant, the Town has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30 June 2022, the balance outstanding against the lending facility stood at:
with the Town's share of this liability being:
using the current cost/profit sharing percentage of:

\$1,800,000
\$99,537
5.53%

Summarised statement of comprehensive income (SMRC)

	2022 Actual \$	2021 Audited*	2021 Unaudited**
Revenue	17,412,446	33,578,555	\$
Interest income	20,805	37,894	
Interest expense	(543,876)	(702,177)	
Depreciation	(4,258,623)	(3,862,654)	
Profit/(loss) from continuing operations	(3,743,717)	3,601,738	
Profit/(loss) for the period	(3,743,717)	3,601,738	
Other comprehensive income	758,174	240,092	
Total comprehensive income for the period	(2,985,543)	3,841,830	

Summarised statement of financial position (SMRC)

Current Assets	18,601,201	21,796,742	21,290,734
Non-current assets	32,224,485	38,176,952	36,487,183
Total assets	50,825,686	59,973,694	57,777,917
Current liabilities	6,310,750	8,789,409	8,283,402
Total non-current liabilities	11,236,836	14,934,142	14,934,143
Total liabilities	17,547,586	23,723,551	23,217,545

Net assets (SMRC)

33,278,100 36,250,143 34,560,372

Reconciliation to carrying amounts (SMRC)

Opening net assets 1 July	36,250,143	32,408,313	32,408,313
Profit/(Loss) for the period	(3,743,717)	3,601,738	1,911,967
Other comprehensive income	758,174	240,092	240,092
Correction of Error 2020-21	13,500	0	0
Closing net assets 1 July	33,278,100	36,250,143	34,560,372

Carrying amount at 1 July (ToEF Investment in Associate)

- Share of associates net profit/(loss) for the period	1,429,853	1,094,618	1,094,618
- Change to Accounting Estimate from Prior Year	(103,279)	264,888	249,837
- Share of associates other comprehensive income arising during the period	15,151	74,930	74,930
Carrying amount at 30 June (Refer to Note 20.(a))	40,718	10,468	10,468
	1,382,443	1,445,004	1,429,853

* 2021 Actuals have been restated for the purposes of this note only showing the audited results of the SMRC.

**Due to the timing of information received by SMRC and finalising of the Town's financial statements, the Town accounts for unaudited financial information provided by the SMRC (Accounting Estimate). Any changes in the accounting estimate between the audited and unaudited accounts of the SMRC are accounted for in the following financial year.

In 2020/21 the Town provided for a share of associates net profit/(loss) of \$249,837 (unaudited), whereas the audited accounts provided for a share of associates net profit/(loss) of \$264,988. A difference of \$15,151 has been accounted for in the 2021/22 financial year, offset by the 2021/22 share of associates net profit/(loss) of (\$62,561).

The share of associates net profit/(loss) and comprehensive income of (\$47,410) is presented in the 2021/22 financial year.

The asset value of Investments in Associates (SMRC) presented in the 2021 Annual Financial Statements was \$1,429,853 (unaudited) versus the \$1,445,004 audited value presented in this Note. In accordance with AASB 108 - changes in accounting estimates, prior year actuals have not been amended throughout the remainder of the 2021/22 Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Town has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

21. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	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 Town does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	1.37%	7,067,665	3,182,592	2,402,000	1,483,073
2021					
Cash and cash equivalents	0.04%	3,711,886	1,484,665	1,818,287	408,934

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	24,020	18,183

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Town 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 Town 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 27(a).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Town'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 Town 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 Town to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Town was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

The Town 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 2021 or 1 July 2022 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 2022 and 30 June 2021 for rates receivables was determined as follows:

	Current	More than 1 year past due	Total	Note
30 June 2022				
Rates receivable				
Expected credit loss	0.00%	0.00%		
Gross carrying amount	0	76,300	76,300	
Loss allowance	0	0	0	5
30 June 2021				
Rates receivable				
Expected credit loss	0.00%	0.00%		
Gross carrying amount	0	162,223	162,223	
Loss allowance	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 for infringement receivables was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
30 June 2022						
Infringement receivable						
Expected credit loss	14.05%	23.25%	32.36%	40.50%		
Gross carrying amount	4,500	3,970	3,103	40,624	52,197	
Loss allowance	632	923	1,004	16,452	19,011	5
30 June 2021						
Infringement receivable						
Expected credit loss	22.34%	46.57%	64.63%	0.00%		
Gross carrying amount	30,014	16,591	18,454	0	65,059	
Loss allowance	6,705	7,726	11,927	0	26,358	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,815	0	0	0	2,815	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	10,512	226	0	6,064	16,802	
Loss allowance	0	0	0	0	0	5

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables reconcile to the opening loss allowances as follows. The Town does not have any Contract Assets and does not recognise ECL on Rates Receivables as detailed above.

	Rates receivable		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 26,358	\$ -
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0
Receivables written off during the year as uncollectible		0	(8,328)	
Unused amount reversed	0	0	981	26,358
Closing loss allowance at 30 June	0	0	19,011	26,358

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Town, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Fair Value of Financial Assets and Liabilities

For each class of financial assets and liabilities, an entity shall disclose the fair value of that class of assets and liabilities in a way that permits to be compared with its carrying amount.

Fair value is determined as follows:

Cash and Cash Equivalents, Other Financial Assets, Receivables, Payables - estimated to the carrying value which approximates net market value.

Borrowings - long term borrowings are generally discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles. The split between the current portion and non-current portion is \$98,204 (2021: \$104,343) current and \$99,537 (2021: \$174,953) non-current. These cash flows therefore haven't been discounted as the fair value is considered approximate to the carrying value, with any variance considered negligible.

The Town held the following financial instruments at balance date:

	Carrying Value 2022	Fair Value 2022	Carrying Value 2021	Fair Value 2021
Financial Assets				
Cash and Cash Equivalents	7,067,665	7,067,665	3,711,886	3,711,886
Trade and Other Receivables	348,248	348,248	359,048	359,048
Other Financial Assets	129,903	129,903	135,134	135,134
	<u>7,545,816</u>	<u>7,545,816</u>	<u>4,206,068</u>	<u>4,206,068</u>
Financial Liabilities				
Trade and Other Payables	1,854,813	1,854,813	1,192,841	1,192,841
Borrowings	197,741	197,741	279,296	279,296
Lease Liabilities	254,804	254,804	291,264	291,264
Other Liabilities	1,801,616	1,801,616	328,153	328,153
	<u>4,108,974</u>	<u>4,108,974</u>	<u>2,091,554</u>	<u>2,091,554</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

21. FINANCIAL RISK MANAGEMENT (Continued)

(d) 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 Town 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 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	1,854,813	0	0	1,854,813	1,854,813
Borrowings	98,204	99,537	0	197,741	197,741
Lease liabilities	44,546	178,185	51,971	274,701	254,804
Other Liabilities	1,801,616	0	0	1,801,616	1,801,616
	<u>3,799,179</u>	<u>277,722</u>	<u>51,971</u>	<u>4,128,871</u>	<u>4,108,974</u>
2021					
Trade and other payables	1,192,841	0	0	1,192,841	1,192,841
Borrowings	104,343	174,953	0	279,296	279,296
Lease liabilities	44,546	178,185	96,517	319,248	291,264
Other Liabilities	328,153	0	0	328,153	328,153
	<u>1,669,883</u>	<u>353,138</u>	<u>96,517</u>	<u>2,119,538</u>	<u>2,091,554</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

An auction for the sale of lots 128 and 128A George Street (land and buildings) was held on 13 August 2022. The auction resulted in a contract of sale being entered into for both lots totalling \$1.85m excluding GST, with settlement completed on 29 September 2022. The sale is a non-adjusting event for the year ended 30 June 2022 as the lots were sold at auction and the sale price was not known at the reporting date.

The Town is not aware of any other material events occurring after the end of the reporting period that may impact these financial statements.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

23. 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 Town's operational cycle. In the case of liabilities where the Town 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 Town'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 Town 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 Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

AASB 13 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 Town 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 Town 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 Town gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Town'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.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- 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
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

The Towns' operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available assisting elected members and ratepayers on matters which do not concern specific council services but are strategic in nature.
General purpose funding To collect revenue to allow for the allocation to services.	Rating, general purpose government grants and interest revenue.
Law, order, public safety To provide services to ensure bushfire prevention, animal control and community safety.	Supervision and enforcement of various local laws and acts relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, food quality testing, pest control, noise control, waste disposal compliance and child health services.
Education and welfare To provide assistance to senior citizens welfare and home and community care.	Provision and maintenance of home and community care programs including in home care, senior outings and respite.
Housing To assist with housing for staff and the community.	Provision and maintenance of residential rental properties.
Community amenities To provide community amenities and other infrastructure as required by the community.	Rubbish collection, recycling and disposal, joint maintenance of SMRC waste management facility, administration of Town Planning Schemes, heritage protection and townscapes, maintenance of urban stormwater drainage and protection of the environment.
Recreation and culture To plan, establish and efficiently manage sport and recreation infrastructure and resources which will help the social well being and health and community.	The provision and maintenance of various community infrastructure including public halls, recreation grounds, sports pavilions, playgrounds, parks, gardens, beaches and the joint operation of the City of Fremantle Library.
Transport To provide safe, effective and efficient transport infrastructure to the community.	Construction and maintenance of streets, roads, footpaths, depots, cycleways, street trees, parking facilities, traffic control, cleaning and lighting of streets.
Economic services To help promote the Town and improve its economic wellbeing.	The regulation and provision of tourism, area promotion activities and building control.
Other property and services To monitor and control plant and depot operations, and to provide other property services not included elsewhere.	Private works operation, plant operating costs, depot operations and unclassified property functions.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	25,457	25,194	11,485
General purpose funding	8,435,329	8,489,211	8,122,150
Law, order, public safety	29,268	27,000	30,692
Health	19,320	36,420	17,847
Education and welfare	136,835	208,290	153,666
Housing	88,042	78,500	83,451
Community amenities	200,468	191,759	207,866
Recreation and culture	321,388	329,747	301,592
Transport	493,038	462,010	316,921
Economic services	143,378	130,000	447,556
Other property and services	116,832	59,339	98,395
	10,009,355	10,037,470	9,791,621

Grants, subsidies and contributions

Governance	0	0	0
General purpose funding	318,011	108,828	248,432
Law, order, public safety	0	0	0
Health	0	0	0
Education and welfare	615,559	591,000	601,748
Housing	0	0	0
Community amenities	18,599	56,076	43,554
Recreation and culture	1,026,470	10,253,336	239,466
Transport	259,964	293,181	215,036
Economic services	0	0	0
Other property and services	0	0	0
	2,238,603	11,302,421	1,348,236

Total Income

12,247,958 21,339,891 11,139,857

Expenses

Governance	(1,229,792)	(1,308,739)	(1,321,750)
General purpose funding	(97,296)	(134,050)	(108,820)
Law, order, public safety	(171,463)	(192,744)	(184,664)
Health	(220,160)	(210,931)	(213,215)
Education and welfare	(1,110,593)	(1,160,391)	(1,034,104)
Housing	(41,591)	(40,650)	(41,007)
Community amenities	(2,667,571)	(3,010,434)	(2,698,203)
Recreation and culture	(2,810,142)	(2,954,981)	(2,918,931)
Transport	(2,611,820)	(2,847,092)	(2,768,421)
Economic services	(137,074)	(156,050)	(135,276)
Other property and services	(238,929)	(178,511)	(195,688)
Total expenses	(11,336,431)	(12,194,573)	(11,620,079)

Net result for the period

911,527 9,145,318 (480,222)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

24. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges			
General purpose funding	60,632	95,000	84,663
Governance	1,382	0	130
Law, order, public safety	29,268	27,000	30,691
Health	19,321	21,900	17,847
Education and welfare	136,835	167,370	152,234
Housing	88,359	77,000	82,249
Community amenities	200,468	186,000	207,867
Recreation and culture	278,163	261,310	275,215
Transport	356,027	325,000	316,922
Economic services	143,198	126,800	120,805
Other property and services	68,385	41,250	44,518
	<u>1,382,038</u>	<u>1,328,630</u>	<u>1,333,141</u>
(d) Total Assets			
	2022	2021	
	\$	\$	
Governance	11,277,049	10,876,360	
General purpose funding	4,735,822	2,961,841	
Law, order, public safety	25,399	38,261	
Health	182,968	193,786	
Education and welfare	2,272,292	2,137,869	
Housing	197,143	213,571	
Community amenities	1,992,730	2,107,935	
Recreation and culture	21,832,642	21,464,434	
Transport	36,327,245	35,180,555	
Economic services	95,290	35,821	
Other property and services	2,496,398	1,971,281	
	<u>81,434,978</u>	<u>77,181,714</u>	

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value*		2021/22 Actual Rates		2021/22 Actual Interim Rates		2021/22 Budget Interim Rate		2021/22 Budget Back Rate		2021/22 Budget Total Revenue		2020/21 Actual Total Revenue	
				\$	Value	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue
Residential	Gross rental valuation	0.076377	2,969	86,471,538	6,573,973	20,736	1,111	0	0	0	0	0	0	6,590,499	0	6,303,366	
Commercial	Gross rental valuation	0.113749	114	11,541,770	1,312,822	621	0	0	0	0	0	0	0	1,304,450	0	1,279,700	
Sub-Total			3,083	98,013,308	7,886,795	21,357	1,111	0	0	0	0	0	0	7,894,949	0	7,583,066	
Minimum payment																	
Residential	Gross rental valuation	1.138	329	4,219,274	374,402	0	0	0	0	0	0	0	0	375,540	0	368,911	
Commercial	Gross rental valuation	1.702	11	117,220	18,722	0	0	0	0	0	0	0	0	18,722	0	19,342	
Sub-Total			340	4,336,494	393,124	0	0	0	0	0	0	0	0	394,262	0	388,253	
			3,423	102,349,802	8,279,919	21,357	1,111	0	0	0	0	0	0	8,289,211	0	8,031,409	
Concessions on general rates (Refer note 25(b))																	
Total amount raised from general rates														0		8,302,387	
* Rateable value is based on the value of properties at the time the rate is raised.																	
Total Rates														8,289,211		7,969,354	

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

25. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

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

Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
GRV Commercial - Sporting Clubs	Concession	25.00%	\$	0	0	43,055
				0	0	43,055
				0	0	43,055

Total discounts/concessions (Note 25)

Rate or Fee and Charge to which the Waiver or Concession is Granted and to whom it was available

Objects and reasons of the Waiver or Concession

GRV Commercial - Sporting Clubs

Where properties are categorised as 'Sporting Clubs - Commercial' Due to the economic impact arising from social distancing, and the cessation of club activities, the Town provided rate relief for the 2020/21 financial year in accordance with the Rates Concession Policy.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

25. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	23/08/2021	0.0	0.00%	7.00%
Option Two				
First instalment	23/08/2021	0.0	0.00%	7.00%
Second instalment	3/01/2022	16.5	5.50%	7.00%
Option Three				
First instalment	23/08/2021	0.0	0.00%	7.00%
Second instalment	25/10/2021	16.5	5.50%	7.00%
Third instalment	3/01/2022	16.5	5.50%	7.00%
Fourth instalment	28/02/2022	16.5	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	17,523	35,000	37,046
Interest on instalment plan	34,621	40,000	0**
Charges on instalment plan	37,125	40,000	37,670
	89,268	115,000	74,716

** As a COVID19 relief measure, Council resolved not to impose interest on instalments for 20/21

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

26. RATE SETTING STATEMENT INFORMATION

	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b)	(32,651)	(148,940)	(1,430)
Less: Population adjustment to SMRC Loan Balance		21,549	0	(2,522)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,997)	0	(2,586)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		47,410	0	(324,767)
Add: Loss on disposal of assets	9(b)	4,738	0	80,927
Add: Depreciation	9(a)	2,071,668	2,571,177	2,513,795
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(20,339)	0	6,315
Assets held for sale (Impairment Fair Value less Costs to Sell)		27,329	0	0
Employee benefit provisions		(11,915)	0	(3,990)
Non-current receivables		(10,923)	0	3,000
Non-cash amounts excluded from operating activities		2,092,869	2,422,237	2,268,742
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(2,484,209)	(1,870,090)	(985,793)
Less: Restricted cash - contract liabilities		0	0	(316,844)
Less: Assets Held for Sale	6	(1,442,619)	0	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	98,204	95,160	104,343
- Current portion of contract liability		0	0	0
- Current portion of lease liabilities	10(b)	38,617	45,000	37,499
Total adjustments to net current assets		(3,790,007)	(1,729,930)	(1,160,795)
Net current assets used in the Rate Setting Statement				
Total current assets		8,814,784	4,649,495	4,067,675
Less: Total current liabilities		(4,511,956)	(2,919,565)	(2,330,631)
Less: Total adjustments to net current assets		(3,790,007)	(1,729,930)	(1,160,795)
Net current assets used in the Rate Setting Statement		512,821	0	576,249

The Town has corrected its methodology for the calculation of net current assets, to appropriately account for contract liabilities held as restricted cash.

The Annual Financial Statements for the year ended 30 June 2021 stipulated net current assets of \$576,249 as at 30 June 2021. This has been amended to \$893,093, a variance \$316,844. This amount has been backed out from the Rate Setting Statement as a "Transfer to Restricted Assets" and similarly backed out of the "Adjustment to Net Current Assets" above. Restricted assets or liabilities associated with restricted cash should be excluded from the NCA calculation (i.e. contra amendment)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Actual				Budget			
	Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal at 30 June 2021	Principal at 30 June 2022	New Leases During 2021-22	Principal at 30 June 2022	Principal at 30 June 2021
SMRC - Regional Resource Recovery Centre Loan	352,779	0	352,779	352,779	352,779	0	352,779	352,779
SMRC - Administration Building (9 Aldous Place, Booragoon) Loan	76,000	0	76,000	76,000	76,000	0	76,000	76,000
East Fremantle Oval Redevelopment	0	(100,821)	(100,821)	0	0	(100,821)	0	0
Total Borrowings	428,779	(100,821)	327,958	428,779	327,958	(100,821)	327,958	428,779

* Share of SMRC Loan Liability is adjusted annually based on proportional population of member local governments.

There is an obligation between the Town of East Fremantle and the Southern Metropolitan Regional Council (SMRC) to pay its share of the loan liability. The loan liability is paid to the Western Australian Treasury Corporation via the SMRC. A loan payable balance is to be recorded in the financial statements of the Town of East Fremantle only as an investment in associates. This determination is based on the Charge Agreement, with the Town's share of loan payments to SMRC liability being established in the event of default by the SMRC, the Town guarantees to pay its share of loan directly to the Western Australian Treasury Corporation.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
SMRC - Regional Resource Recovery Centre Loan		Community amenities	Various	WATC	Various	0	(7,146)	(11,172)
SMRC - Administration Building (9 Aldous Place, Booragoon) Loan		Community amenities	2-7	WATC	0.25%	0	0	0
East Fremantle Oval Redevelopment		Recreation and culture				0	0	0
Total Interest Repayments	20a					(7,146)	(14,600)	(11,172)

(b) New borrowings - 2021/22

The Town of East Fremantle did not undertake any new borrowings in the reporting period. Whilst the Town budgeted for a loan of \$5m for the EF Oval Redevelopment Project, funding was not required as the building contract has yet to be awarded.

(c) Unpaid Borrowings

The Town of East Fremantle did not have any unpaid borrowings as at the reporting date.

(d) Lease Liabilities

Purpose	Actual				Budget			
	Principal at 1 July 2021	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 30 June 2021	Principal at 30 June 2022	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 30 June 2021
River sealed (moving pens)	322,823	(29,267)	293,556	322,823	293,556	(29,267)	264,289	322,823
Total Lease Liabilities	322,823	(29,267)	293,556	322,823	293,556	(29,267)	264,289	322,823

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
River sealed (moving pens)		Recreation and culture	N/A	Dep. Transport	2.60%	(7,074)	(8,000)	(7,878)
Total Interest Repayments	20b					(7,074)	(8,000)	(7,878)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

28. RESERVE ACCOUNTS

Restricted by legislation/agreement

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Closing Balance
(a) Non Current Leave Entitlements Reserve	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000
(b) Unspent Grants and Restricted Cash Reserve	0	0	0	22,186	0	0	0	0	0
(c) Vehicle, Plant and Equipment Reserve	84,127	0	84,127	84,127	0	84,127	91,827	0	84,127
(d) Aged Services Reserve	11,803	0	11,803	11,803	0	11,803	178,803	0	11,803
(e) Strategic Asset Management Reserve	7,542	87,378	94,920	7,542	57,378	64,920	491,049	3,045	7,542
(f) Arts and Sculpture Reserve	156,772	0	156,772	156,772	45,000	131,772	171,772	0	156,772
(g) Waste Reserve	0	0	0	0	1,042,250	0	0	0	0
(h) Committed Works Reserve	0	0	0	0	0	0	0	0	0
(i) Streetscape Reserve	75,000	0	75,000	75,000	0	75,000	50,000	25,000	75,000
(j) Drainage Reserve	150,000	100,000	250,000	150,000	100,000	250,000	0	150,000	150,000
(k) East Fremantle Oval Redevelopment Reserve	298,228	777,942	1,076,170	298,228	400,502	698,730	0	298,228	298,228
(l) Preston Point Facilities Reserve	35,821	59,469	95,290	35,821	0	35,821	100,000	0	35,821
(m) Foreshore Master Plan Reserve	0	270,000	270,000	0	100,000	100,000	0	100,000	0
(n) Sustainability and Environmental Reserve	90,000	120,337	210,337	90,000	120,337	210,337	0	90,000	90,000
(o) Town Planning Reserve	50,000	20,000	70,000	50,000	0	50,000	50,000	0	50,000
(p) Business Improvement Reserve	0	0	0	0	0	0	0	0	0
(q) Old Police Station Reserve	16,500	0	16,500	16,500	24,000	0	0	0	0
(r) Payment in Lieu of Parking Reserve	0	137,010	137,010	0	137,010	137,010	0	24,000	16,500
(s) Payment in Lieu of Public Open Space Reserve	985,793	1,542,135	2,484,209	1,007,979	2,126,477	1,870,090	991,251	740,873	985,793
	985,793	1,542,135	2,484,209	1,007,979	2,126,477	1,870,090	991,251	740,873	985,793

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

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

Anticipated date of use	Name of Reserve	Purpose of the reserve
30-Jun-22	(a) Non Current Leave Entitlements Reserve	To fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided
ongoing	(b) Unspent Grants and Restricted Cash Reserve	To restrict unspent grants and contributions at end of year.
ongoing	(c) Vehicle, Plant and Equipment Reserve	To support the funding of vehicle, plant and equipment purchases.
ongoing	(d) Aged Services Reserve	To retain surplus CHSP program funds for future periods, and to fund all activities and assets relating to the provision of this service.
ongoing	(e) Strategic Asset Management Reserve	To fund the acquisition of new and renewal of existing Town infrastructure, buildings and other assets.
ongoing	(f) Arts and Sculpture Reserve	To provide for the commissioning and purchase of public art works in accordance with the Town's Public Arts Strategy.
ongoing	(g) Waste Reserve	To fund and support waste management services including but not limited to refuse collection, waste management initiatives and programs, infrastructure
ongoing	(h) Committed Works Reserve	To transfer unspent municipal expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
ongoing	(i) Streetscape Reserve	To implement Streetscape initiatives including the redevelopment of George Street.
ongoing	(j) Drainage Reserve	To fund drainage asset management requirements.
ongoing	(k) East Fremantle Oval Redevelopment Reserve	To fund all costs associated with the redevelopment of the East Fremantle Oval precinct.
ongoing	(l) Preston Point Facilities Reserve	To fund all costs associated with the implementation of the Preston Point Facilities Master Plan.
ongoing	(m) Foreshore Master Plan Reserve	To fund all costs associated with the implementation of the Foreshore Management Plan.
ongoing	(n) Sustainability and Environmental Reserve	To fund sustainability and environmental initiatives as well as support actions/recommendations from the Community Climate Action Plan.
ongoing	(o) Town Planning Reserve	To fund planning and building works associated with the protection and amenity of the built environment.
ongoing	(p) Business Improvement Reserve	To fund the implementation of business improvement initiatives including the Town's enterprises resource planning system.
ongoing	(q) Old Police Station Reserve	To receive the net income from the Old Police Station for building maintenance and renewal purposes.
ongoing	(r) Payment in Lieu of Parking Reserve	To receive and apply funds for payments received in lieu of parking.
ongoing	(s) Payment in Lieu of Public Open Space Reserve	To receive payment from developers in lieu of land set aside for public open space, with funds to be applied in accordance with section 154 of the Planning and Development Act 2005.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

29. 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 2021	Amounts Received	Amounts Transferred to Reserve	30 June 2022
	\$	\$	\$	\$
Developer Cash in Lieu	137,010	0	(137,010)	0
	<u>137,010</u>	<u>0</u>	<u>(137,010)</u>	<u>0</u>

During the 2021/22 financial year, Developer Contributions received for cash in lieu of car parking were transferred to to the Payment in Lieu of Parking reserve. This is in accordance with the Town's Annual Budget and satisfies the requirement set out in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

30. MAJOR LAND TRANSACTIONS

(a) Details

The Town prepared and advertised a Business Plan in the 2020/21 financial year as per the requirements of section 3.59 of the *Local Government Act 1995*.

The Plan is to replace the ageing East Fremantle Oval infrastructure with an Integrated Community Sport and Leisure Facility and associated precinct.

Project Summary:

- The land is vested with the Town of East Fremantle as A Class Reserve
- Broad scope for requirements to include:
 - Walking tracks around the oval
 - Sports oval
 - Removal of perimeter fence
 - Indoor multi-purpose hall
 - New playgroup facilities
 - Outdoor 1/2 hard court
 - Outdoor adventure playground
 - Enclosed dog exercise area
 - Skate zone
 - Improved community facilities including the oval tenant facilities as well as other amenities available for hire to the community.

The timetable is to build and open the proposed facility by early 2024.

(b) Current year transactions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Revenue			
- Non-Operating Grant	928,771	10,000,000	0
- Borrowings	0	5,000,000	0
Expenditure			
- Professional Services/Cost Plan	(928,771)	(15,132,000)	0
	0	(132,000)	0

The cost plan details a total project budget of \$32.5m including contingencies, funded as below:

State Government Grant	25,000,000
AFL Facilities Funding	200,000
Town of East Fremantle - Transfer from Reserves	1,300,000
Town of East Fremantle - Part Proceeds from Sale of 128 George	1,000,000
Town of East Fremantle - Loan Borrowings	5,000,000
	<u>32,500,000</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2022

30. MAJOR LAND TRANSACTIONS

(c) Expected future cash flows

	2022 Actual \$	2022/23 Budget \$	2023/24 Budget \$
Cash outflows			
Capital Expenditure - Project Build as per QS Report	(928,771)	(13,000,000)	(17,000,000)
Annual Principal and Interest Repayments	0	0	0
Operating Expenses	0	0	0
	(928,771)	(13,000,000)	(17,000,000)
Cash Inflows			
State Government Grant	2,500,000	13,000,000	9,500,000
AFL Facilities Funding	0	0	200,000
Town of East Fremantle - Transfer from Reserves	0	0	1,300,000
Town of East Fremantle - Part Proceeds from Sale of 128 George Street	0	0	1,000,000
Town of East Fremantle - Loan Borrowings	0	0	5,000,000
	2,500,000	13,000,000	17,000,000
Net cash flows	1,571,229	0	0

The Business Plan includes the following 10-year cashflow forecast from the operations of the Facility.

Expected financial contribution from the Town for the first 10 years

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Profit	-\$300,792	\$328,435	\$95,978	\$117,258	\$139,564
Contribution by others	\$180,792	0	0	0	0
Finance Repayment	-\$307,947	-\$307,947	-\$307,947	-\$307,947	-\$307,947
Total forecast payments by TOEF	-\$427,947	\$20,488	-\$211,969	-\$190,689	-\$168,383

	Year 6	Year 7	Year 8	Year 9	Year 10
Net Profit	\$182,793	\$208,047	\$234,480	\$281,651	\$330,877
Finance Repayment	-\$307,947	-\$307,947	-\$307,947	-\$310,351	-\$307,947
Total forecast payments by TOEF	-\$125,154	-\$99,900	-\$73,467	-\$28,700	\$22,930

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Town did not undertake any trading undertakings during the reporting period.

Independent Auditor's Report

For the year ended 30 June 2022



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Town of East Fremantle

To the Councillors of the Town of East Fremantle

Opinion

I have audited the financial report of the Town of East Fremantle (Town) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and 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.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Town for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Town is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- 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 Town's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Town.

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

Auditor's responsibilities 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.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Town of East Fremantle for the year ended 30 June 2022 included in the annual report on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Town to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 November 2022



TOWN *of*
EAST FREMANTLE

eastfremantle.wa.gov.au