

ANNUAL REPORT

2023-24



TOWN of
EAST FREMANTLE



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 and present.

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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Mayor's Message

Welcome to our 2023/2024 Annual Report, where we proudly present our achievements across the five strategic pillars: Social, Economic, Built Environment, Natural Environment and Leadership and Governance.

This year saw one of our major projects – the East Fremantle Community Park (EFCP) reach practical completion and officially open to the public. Whilst it presents some considerable ongoing financial challenges it is undoubtedly a multi-generational community focal point. The EFCP exemplifies a social, built, and natural environment by creating an inclusive open space for our whole community to enjoy, with the natural environment at the forefront. The Council will work towards ensuring the sustainability of the precinct including solar power generation and looks forward to the East Fremantle Football Club, East Fremantle Bowling Club and East Fremantle Croquet Club calling it home.

In March, works commenced to upgrade the Fremantle City Women's changerooms at the Tricolore Community Centre.

The \$1.09 million redevelopment includes renovating the existing changing rooms and building an additional change room.

The project is funded by an \$800,000 commitment from the Department of Local Government, Sport and Cultural Industries, with additional financial and construction support from the Town of East Fremantle and a \$109,091 (ex GST) contribution from the Fremantle City Football Club. We also recognise the patience and understanding of the club during this time. It will be completed in November 2024.

Once completed, the upgraded changerooms will be a wonderful addition to our Tricolore Community Centre and for our sporting community to use in years to come.

As part of our social and environmental priorities, the Town continued to partner with the City of Fremantle and hosted six sustainability workshops. Assessing the climatic impacts of our decisions must remain at the forefront of our strategic planning.

We also hosted the Seniors' Lunch on Monday 27 November 2023 with 185 residents aged over 65 who have lived in East Fremantle for 30 years, in recognition of their contribution to our Town.

This was followed by our award-winning annual festival in George Street on Sunday 3 December 2023 which drew a crowd of 17,000 festivalgoers throughout the day.

On behalf of our Town, I thank the members of our Climate Action Reference Group, Public Art Panel and Reconciliation Action Plan Steering Group for their guidance and advice to Council.

I am proud of what our Town has achieved this financial year, and I look forward to continuing to build on our inclusive community, balancing growth, lifestyle and sustainability in the 2024/2025 financial year.

Jim O'Neill
Mayor



CEO's Message

I am pleased to present the 2023/2024 Annual Report, which reflects not only our financial performance but also our commitment to delivering quality services and a high level of customer service to our residents.

One of the major highlights of this year saw the delivery of a key infrastructure project – the completion and opening of the East Fremantle Community Park. This facility has proven to be a venue that the whole community can enjoy from the B-Active gym, Carnaby's Café, Bar and Restaurant, the nature play playground, skate zone and basketball court, to the bowling, croquet and football facilities.

Another highlight from the year was our focus on strengthening our organisation to ensure it is fit-for-purpose so that we can continue to deliver first class services.

As such, the Town has prepared a suite of Integrated Planning and Reporting documents including a Strategic Resource Plan (Long Term Financial Plan), Asset Management Plans and Revenue Strategy.

These documents provide the planning tools which enable Council to determine the Town's capacity to sustainably deliver the assets and services required by the community within a stable rates pricing pathway.

For the 2023/2024 financial year, the Town derived \$12.6 million in operating revenue, with \$9.1m or 72 per cent of operating income from rates.

Rates revenue represents a significant percentage of the Town's operating income each year and is an income stream that the Town has a substantial degree of control over.

This reliability and control are important considerations in terms of the Town's financial flexibility. General rates revenue supports a broad range of Municipal infrastructure and services, including waste services (the cost of waste services is currently incorporated into general rates); building control; animal control; community services; active and passive open space; roads, footpaths; drainage; library services; community events; town planning; governance and corporate support; emergency management; public conveniences and economic development. Rates are also used to service debt.

In the coming year, we will maintain a strong focus on the operations of the East Fremantle Community Park to ensure it delivers on its promise of being a place for all in our community.

I would like to extend a heartfelt 'thank you' to all our valued sporting and community groups, volunteers and our community partners, for their continued support and collaboration throughout the year.

Thank you also to the Mayor, Councillors and the Town's staff who have worked tirelessly on behalf of our community.

Jonathan Throssell
Chief Executive Officer

East Fremantle at a glance



3,430

residential/commercial dwellings



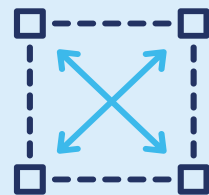
14

Citizens affirmed



3.2km²

land area



8,060

Residents



26

Parks and reserves

44

Median age



1

Primary school



46km

Length of roads



3,400m

River foreshore



18km

From Perth CBD



Council Members



Mayor Jim O'Neill

Term 2021–2025

Councillor Tony Natale

Deputy Mayor

Councillor Term 2023 to 2027



Councillor Kerry Donovan

Councillor Term 2023 to 2027



Amendments to the Wards

Following amendments to the *Local Government Act 1995*, the Town's four Wards were abolished following the local government elections in 2023 to create one district. Therefore, The Town's previous representation of two Councillors for each of the four Wards was changed to eight Councillors representing the district.

The historic Plympton, Woodside, Richmond and Preston Point ward names were retained on the ward map simply to reference specific areas of the Town.



Councillor Andrew McPhail

Councillor Term 2021–2025



Councillor Jenny Harrington

Councillor Term 2023–2027



Councillor Cliff Collinson

Councillor Term 2023–2025



Councillor Mark Wilson

Councillor Term 2023–2025



Councillor Andrew White

Councillor Term 2021–2025



Councillor Lucinda Maywood

Councillor Term 2023–2027





Highlights in Brief

East Fremantle Community Park opens

The long-awaited opening of the \$34.669m East Fremantle Community Park was celebrated in May

The redeveloped park offers community members a space to gather, recreate and celebrate. Boasting something for everyone, the precinct offers:

- first-class sporting facilities for football, lawn bowls and croquet
- Carnaby's Café, Bar and Restaurant, overlooking an all-abilities playground
- a health club
- a vibrant function space
- an outdoor basketball half court
- a skate zone
- meeting rooms
- an enclosed dog exercise park with a drinking fountain, benches and bins.

To complement the facility, 3000 sqm of turf and irrigation was installed on the eastern bank in June 2024.



The facility was funded by the Town (\$8m), the State Government (\$25m), Lotterywest (\$1.345m for the playground and skatepark) and the AFL Facilities Fund (\$250,000).



*Our new
Community Park
has something
for everyone*



Highlights in Brief

2023 East Fremantle's George Street Festival

An estimated 17,000 festival-goers descended on George Street to revel in artisan markets, live music and tempt their taste buds with food and beverages from 41 vendors on 3 December 2023.

A highlight of the festival was the outstanding waste management and sustainability efforts which saw the Town named as a finalist for the 2023 Waste Sorted Community Engagement Award. The nod recognised continued efforts in minimising waste at large-scale events.



Finalists for the 2023 Waste Sorted Community Engagement Award

Key sustainability achievements included:

- 22,000 reusable items utilised
- 28kg of recyclables collected, with 23kg (683 items) eligible for Containers for Change. Funds from Containers for Change were donated to the Hurricane Paddling Crew
- 89kg of FOGO waste collected, including 40kg of coconut shells
- reduced landfill contributions to 38kg
- 74 per cent of waste diverted from landfill



*Artisan markets,
live music,
International food
and beverages*

17,000

people enjoyed the
festival in
2023





Highlights in Brief

Coastal Hazard Risk Management and Adaptation Plan

In April 2024, Council endorsed a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The Plan identifies estuarine coastal hazards; provides a framework to guide decision making for the next 10 to 20 years; and management and adaptation strategies to mitigate hazards over the next 100 years.

The CHRMAP study area is located on Whadjuk Nyoongar land within of the Town of East Fremantle, comprising of about 3km of foreshore between East Street and Petra Street.

The CHRMAP was developed with the help of representatives from various State Government agencies, as well as local residents, businesses and sporting club representatives.

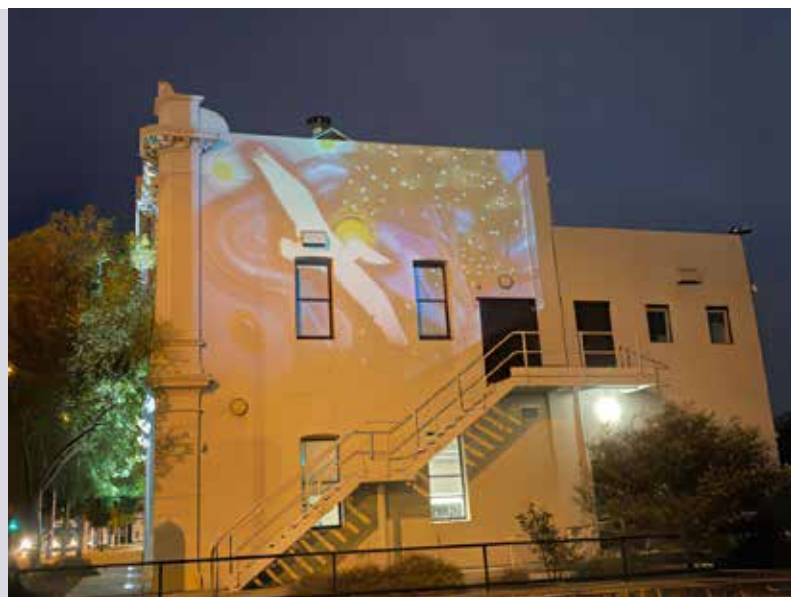
The \$129,875 project was partially funded by the Western Australian Planning Commission through the Coastal Management Plan Assistance Program (\$47,750), the Department of Biodiversity, Conservation and Attractions (\$30,000), along with a \$52,125 investment from the Town.

Reconciliation Action Plan

In celebration of NAIDOC Week from Sunday 2 to Sunday 9 July 2023, the western side of the Town Hall building was lit up each night.

The stunning artwork projected onto the building was created by Yabini Kickett for the Town's Reflect Reconciliation Action Plan.

In addition, the Uluru Statement from the Heart was placed on the noticeboard at the Town Hall.



Four years of FOGO

In July 2023, the Town celebrated the fourth anniversary of implementing the Food Organics, Garden Organics (FOGO) waste service. During this time, the Town has successfully diverted 5,435.24 tonnes of FOGO waste from landfill – equivalent to over 543 waste trucks. The Town was the first metropolitan local government to fully transition to FOGO in 2019.

Containers for Change Units

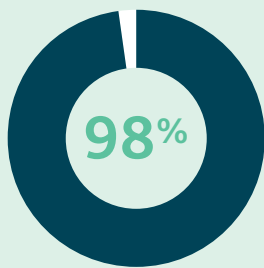
Containers for Change exchange points were installed on public waste bins at Locke, Glasson, Raceway, Lee, Ulrich and Gourley Parks, along with John Tonkin Reserve in June 2024. These exchange points enable the public to easily and safely collect 10c containers and return them to local refund locations.

Seniors' Christmas Lunch

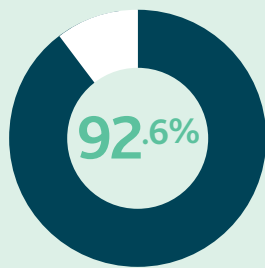
The Town celebrated 185 residents who have resided in East Fremantle for 30 consecutive years, and are aged over 65, at its annual Seniors' Christmas Lunch at the Swan Yacht Club in December.



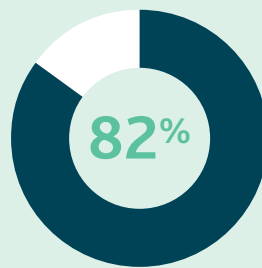
Waste Avoidance Fast Facts



FOGO waste service provided to 98% of residential properties



92.6% recovery on FOGO bin



82% recovery on recycling (yellow top recycling bin)



FOGO waste service provided to 26 businesses and a number of community groups

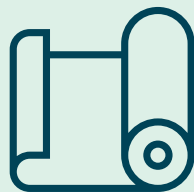


All general waste (red bin) to landfill



\$7,500

Funding for the implementation of the Town's Waste Plan



650

Rolls of compostable liners provided to residents free of charge



174.68 tonnes of green waste collected

134.66 tonnes of bulk and white metal goods collected



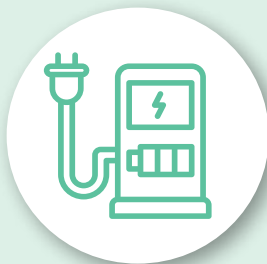
85 Mattresses recycled through Soft Landings

Sustainability by Actions



Gold Waterwise Council

The Town was endorsed as a **Gold Waterwise Council** for the second year in a row



EV Infrastructure

An EV charger was installed at the Town Hall for the Town's electric vehicle



Plastic Free July

The Town partnered with **Plastic Free July** for the fifth consecutive year



280 bags
of FOGO compost sold



We partnered with Fremantle Recycling Centre for the sixth year

4,282

visits to the Fremantle Recycling Centre by East Fremantle residents



Six joint sustainability workshops with the City of Fremantle



70.19 % of waste collected. An estimated total of 224.05 tonnes was collected from Town residents, with an estimate 157.25 tonnes recovered.





Community Health Fast Facts



Confirmed
food poisoning
notifications



Notifiable
infectious disease
investigations

82

Food business
inspections

111

Public health
customer request
investigations



297

Food safe online
training



Public building
inspections

51



Public swimming
pool samples



76

Recreational
water samples
(Swan River)



2

Asbestos samples

A background photograph of a residential street. On the left, there are tall trees with green and yellowing leaves. On the right, there are houses with blue roofs and white walls, partially obscured by trees and a white fence with a brick top. The overall scene is bright and sunny.

Planning and Building Stats

\$23,293,263

Total planning development value

99 Development applications

94% of applications were processed within the regulated time

150 Building permit applications

\$27,287,707

Total building development value

90% of building permits were processed within the regulated time

Our Strategic Community Plan 2020 to 2030 at a glance

The Town's Strategic Community Plan responds to the community's key areas of interest.

Our Vision and Objectives for each strategic priority area over the next 10 years are:

Strategic priority area	Vision	Objectives
Social	A socially connected inclusive and safe community.	1.1 Facilitate appropriate local services for the health and wellbeing of the community. 1.2 Inviting open spaces, meeting places and recreational facilities. 1.3 Strong community connection within a safe and vibrant lifestyle.
Economic	Sustainable, "locally" focussed and easy to do business with.	2.1 Actively support new business activity and existing local businesses. 2.2 Continue to develop and revitalise local business activity centres.
Built Environment	Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces.	3.1 Facilitate sustainable growth with housing options to meet future community needs. 3.2 Maintaining and enhancing the Town's character. 3.3 Plan and maintain the Town's assets to ensure they are accessible, inviting and well connected.
Natural Environment	Maintaining and enhancing our River foreshore and other green, open spaces with a focus on environmental sustainability and community amenity.	4.1 Conserve, maintain and enhance the Town's open spaces. 4.2 Enhance environmental values and sustainable natural resource use. 4.3 Acknowledge the change in our climate and understand the impact of those changes.
Leadership and Governance	A proactive, approachable Council which values community consultation, transparency and accountability.	5.1 Strengthen organisational accountability and transparency. 5.2 Proactively collaborate with the community and other stakeholders. 5.3 Strive for excellence in leadership and governance.

Forward focus: 2025 major projects

- Transform Silas Street Precinct (2024/25 to 2026/27)
- Best use assessment of 80 Canning Highway (EH Gray), Mooring Pens, Tricolore Community Centre (2024/25 to 2026/27)
- Local Planning Scheme Review (2024/25 to 2026/27)
- Upgrades to LED street lighting
- Increase urban tree canopy
- Riverside Road upgrade
- Upgrades to footpaths
- Installation of solar and battery charging station for electric vehicles at East Fremantle Community Park
- Installation of solar panels at the Town Hall, Dovenby House and depot
- Completion of works on the Fremantle City Football Club women's changeroom upgrade and new building project at Wauhop Park.





Strategic Priority One: Social

"A socially connected, inclusive and safe community."

Library services

As part of our vision for inviting open spaces, meeting places and recreational facilities, noting that the Town doesn't have its own community library, it invested \$156,000 into the Fremantle Library for East Fremantle residents to enjoy.

FREO Cube Off 2024

To celebrate Youth Week WA, the Town once again collaborated with the City of Fremantle and SpeedCubing Australia to host the FREO Cube Off – a platform for youth to demonstrate their skills in a competitive cubing competition. The event showcased the talents of almost 100 cubers and offered novices the opportunity to learn and participate.

Neighbourhood Link

Funded by Commonwealth Home Support Programme funding, Neighbourhood Link provides social support to residents from East Fremantle and surrounding areas.

In the 2023/2024 financial year, 320 clients were registered with the program. The number of East Fremantle residents participating continues to grow, with 50 currently engaged and over 100 clients making regular use of the service.

Not all service outcomes can be measured in terms of their contribution to feelings of connection and wellbeing in the community, especially for older individuals living alone. In some cases, the program also provides valuable support to families.

During the reporting year, Individual Social Support service doubled from approximately 45 per cent to 92 per cent, while Social Support Group remained above funded output requirement at 125 per cent.

The program's transport service – which provides clients with community access to complete errands – increased from little to no provision of the service type, to approximately 30 per cent delivery of funded outputs.

Further, as the service delivery increased during the year, the program welcomed five new casual staff and invested in two new Mazda sedans, providing clients with Individual Social Support and access to the community.

Ranger services supporting an inclusive and safe community

As the Town is focused on community education and voluntary compliance, 5,476 cautions were issued in the reporting year, compared to 1,594 infringements. Additionally, there were 505 maintenance reports filed and 4,421 individual interactions recorded.

Building on our inviting open spaces

Over the reporting year, the Town successfully completed several enhancement projects totalling \$160,000 across its parks and reserves.

At Lower Wauhop, new goals were installed to improve the recreational facilities, while Ulrich Park saw the addition of a new basket swing for families to enjoy.

Across multiple locations in the Town, including Locke Park and Riverside Road, isolation valves were installed on drinking fountains to enhance water management.

Riverside Reserve, near the Dome Café, was upgraded with new softfall, concrete pathways, and exercise equipment. Additionally, Preston Point Reserve now features a new barbecue and drinking fountain, further enhancing its amenities.

Finally, the pump at Bicentennial Falls was replaced to ensure the continued functionality of this valued feature.





Strategic Priority One: Social

Facilitating community group capacity building through grants

The Town awarded \$16,418.68 in Community Assistance Grants to 13 community groups in the reporting year:

Recipient	Grant used for
East Fremantle Bowls Club	New social use bowls
Cockburn Dragonboat Club	Heavy duty gazebos
East Fremantle Croquet Club	Upgrade croquet equipment
East Fremantle Yacht Club	Sun safe volunteer tops
Fremantle Outrigger Canoe Club	Ultralightweight outrigger canoe
Fremantle Rowing Club	Olympic gold medallist memorabilia and Australian champion photos
Fremantle Swan Dragonboat Club	New sweep oars
Glyde-In Learning Centre	Mah-Jong tables
Junior Cricket Club	Junior cricket balls and sporting equipment
Lions Club	Kids train service and new train battery
Richmond Primary School P&C	Flexible Learning Space: 'The STEAM Room'
Fremantle Sea Scouts	Compasses, camping stoves, water containers
East Fremantle Tennis Club	Spectator seating

Public Health Plan

The Town continued implementing its Public Health Plan 2022 – 2027 and partnered with the City of Fremantle to deliver the Sing, Swing and Mingle project to enhance the health and happiness of our community. This project offered an intergenerational collaboration that aimed to empower our ageing community with meaningful encounters that support optimal mental health and wellbeing.

In addition, two new air monitors were installed in the Town as part of the RAC Air Monitoring Program.

Local Emergency Management

The Town shares its Local Emergency Management Arrangement with the City of Fremantle. In the reporting year, it continued to meet its legislative obligations under the *Environmental Management Act 2005* by holding regular committee meetings, attending emergency management exercises including a HAZMAT exercise in June 2024 and collaborating with external agencies such as the Department of Communities and Department of Emergency Fire Services.



Strategic Priority Two: Economic

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

Plans and Strategies to guide development

During the 2022/2023 financial year, Council adopted the Local Commercial Centres Assessment and Strategy (LCAAS). The Strategy helps to understand the Town's needs over the next 15 to 20 years, considering changes in population plus changes in retail shopping trends and behaviours.

In working towards implementing the LCCAS over the past year, Council adopted the Local Planning Policy 3.1.4 – Payment in Lieu of Parking Plan in July 2023.

The Plan sets out areas where payment in lieu of parking may be considered for development applications and the corresponding area where the money should be spent. These areas include the Town Centre, Plympton, East Fremantle Community Park, Petra Street Centre, Riverside North and Riverside South.

In December 2023, the Town approved the redevelopment of the supermarket on Silas Street, facilitating a new quality development and revitalisation within the Town Centre, together with local employment opportunities.





Continuation of the Look Local campaign

The Town continued to support its local businesses through the Look Local campaign via its Instagram and Facebook channels. The campaign encourages residents to shop, eat and drink at local businesses while also promoting local businesses to residents.

In addition, the Town updated and promoted business and community directories on its website.

The Town also "Looks Local" for its own purchasing requirements, including catering and booking venues for events including the annual Seniors' Christmas lunch.

Mug Library at Carnaby's Cafe

In June 2024, the Town and its Climate Action Reference Group supported East Fremantle's newest café, Carnaby's, with setting up and promoting a mug library for Plastic Free July. The mug library is designed to reduce single-use plastic by offering patrons who haven't brought a reusable cup with them, the opportunity to borrow a cup and return it on their next visit.

Plastic Free Riverpark

The Town promoted the Department of Biodiversity, Conservation and Attractions Plastic Free Riverpark program to local businesses which enabled them to apply for between \$500 to \$1000 in grants to support a transition to plastic free.



Strategic Priority Three – Built Environment

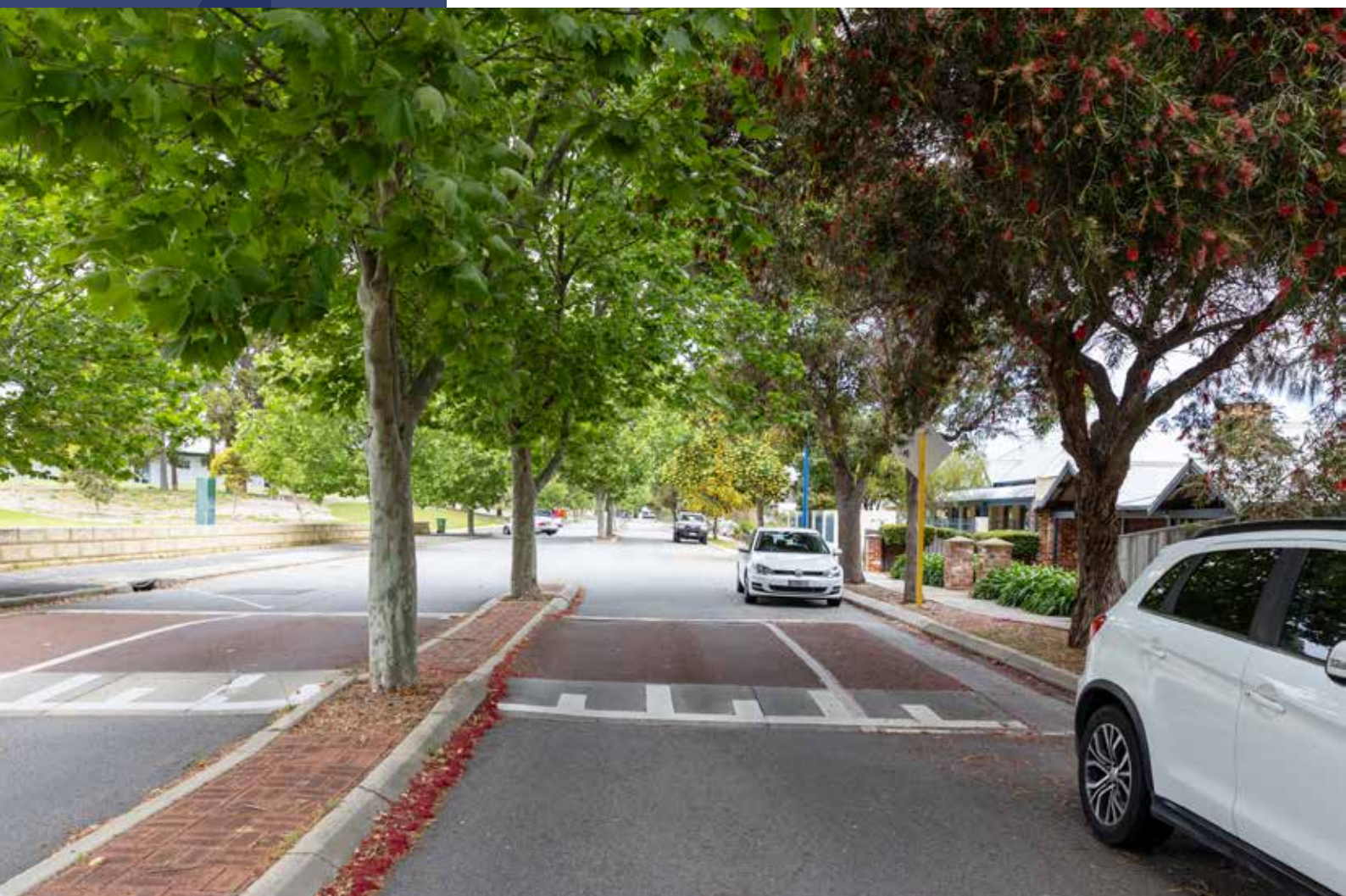
“Accessible, well planned built landscapes which are in balance with the Town’s unique heritage and open spaces.”

Royal George Hotel site

Following the Western Australian Planning Commission’s (WAPC) ‘Significant Development’ approval in 2021 for the Royal George Hotel, Council received an amended development approval application for the site during the 2023/2024 financial year.

The amendment proposed a change of use from ‘hotel’ to ‘tavern’, along with an extension to the ‘Substantial Commencement Period’ until 11 October 2025, and design modifications including a reduction from 23 or 24 apartments to 20 apartments.

In a submission to the WAPC, Council recommended refusal of the amendment to the development approval, however, the WAPC approved the application on 11 April 2024.



Penhurst Road resurfacing project

Council invested \$75,000 to resurface Penhurst Road between Fraser Street and Pier Street. The works were completed in May and included a new kerb, pram ramps and a new road surface.



Footpath upgrades

During the reporting year, the Town invested \$65,000 to upgrade the footpaths on the south side of Canning Highway between Bedford and Moss Streets from slabs to concrete (pictured above).

The Town also invested \$155,000 for minor footpath upgrades to red asphalt along Clayton Street (west side), between Canning Highway and Fraser Street and Clayton Street (east side), and between Fraser Street and View Terrace.

Former Woodside Hospital site

In 2023, the Western Australian Planning Commission (WAPC) sought comments from Council regarding a 'Significant Development' application for the redevelopment of the former Woodside Hospital.

The application proposed a partial demolition of existing buildings, a residential aged care facility, a medical centre and a café.

In a formal submission to the WAPC, Council advised it had determined to not support the development application, however, the WAPC approved the development with conditions on 14 December 2023.

EV charger installed at Town Hall

An EV charger was installed at the Town Hall to charge electric vehicles owned by the Town. The \$21,000 investment was funded by the State Government and Council (50 per cent each).





Strategic Priority Four – Natural Environment

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

Greening the Town

The Town planted 145 trees during this financial year, with a mixture of trees within parks and reserves, and on verges (including bottlebrush, peppermint, jacarandas and gum tree species).

Further, all large significant trees were inspected by a qualified arborist and reports for each individual tree provided.

Climate Emergency Action Plan

In August 2023, Council endorsed the Climate Emergency Action Plan 2023 to 2033.

The Plan builds upon the efforts undertaken in partnership with the Climate Action Reference Group and the Council, following the adoption of the Climate Emergency Strategy 2022 to 2032 in March 2022. It also aligns with the seven strategic objectives outlined in the Climate Emergency Strategy.

Mooring pens upgraded

The Town invested \$58,839 to upgrade the mooring pens, including LED lighting upgrades to jetties, 29 anode replacements and four wooden pylon upgrades to steel.



Rescue River promotion

As part of our strategy to partner with stakeholders to protect and conserve the Swan River Foreshore, the Town partnered with the Climate Action Reference Group, Richmond Primary School and Friends of the East Fremantle Foreshore to give the Town's river bins a fresh makeover.

Students from Richmond Primary School poured their creativity into designing two vibrant bin stickers, reminding all visitors to dispose of waste responsibly and protect our river and its wildlife!



Josh Byrne Waterwise River Workshop

In October 2023, the Town hosted ABC TV Gardening Australia presenter and environmental scientist Josh Byrne.

Josh presented a Waterwise River Workshop at the Town Hall, giving residents the opportunity to hear the latest trends in gardening and learn how they can support the health of the Swan and Canning Rivers.

They also learned how to improve local verge gardens to support biodiversity and the health of the waterways.

The workshop was supported by the Department of Biodiversity, Conservation and Attractions, and Perth's NRM's ReWild Perth program.





APACE native plant sale

The Town covered 50 per cent of the cost of 2,500 native tube stock plants at APACE Nursery's plant sale during May 2024. Residents had the opportunity to collect up to 40 plants per household. The sale was partly funded by the Water Corporation as part of the Waterwise Council Program.

Strategic Priority Five – Leadership and Governance

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

Customer service

The Town is proud of its history working together with the local community to provide essential services. The needs of our community are at the forefront of everything we do, and we strive to deliver customer service to the highest standard.

During the 2023/2024 financial year, the Town processed 4,068 customer service requests and registered 18,809 corporate records.

Community engagement and communications

As part of our strategy to provide effective engagement with our community and stakeholders, the Town held annual Mayor and CEO meetings with many of East Fremantle's groups and Clubs.

In addition, the Town continued to foster engagement and share information through its communications channels. This included 12 e-newsletters, three Talk of the Town printed newsletters and printed the Across the Town monthly advert in the Herald newspaper. Fifty-seven latest news articles were also published on the Town's website.

Governance achievements

The Town continued its strong record of financial management and legislative compliance receiving an unqualified audit report for the year ended 30 June 2024.

The Town also engaged an independent review of its Compliance Audit Return and no material non-compliances were identified.

It also undertook a review of its Register of Delegations and Register of Authorisations. A new online application was implemented to administer Delegations, Primary and Annual Returns and the Statutory Compliance Calendar.

In addition, it was also subject to a General Computer Control focus audit performed by the Office of the Auditor General. There has also been an improvement in the maturity of the Town's systems and controls.

Governance and Rates Value Index

The Town completed its biannual community survey in early 2023 and the following performance index scores were achieved:

- Governance 61 – 8 index points above industry average and up to 1 point from 2021.
- Rates Values 64 – 11 index points above industry average and up to 3 points from 2021.

71% of outstanding rates for 2023/24 were recovered during the reporting year. This was exceptional, leaving only 0.71% and overall 1.41% of rates outstanding.

19 leases and community licence agreements were managed by the Town.



Disability Access and Inclusion Plan 2020 to 2025

The Town is committed to providing services and spaces that are accessible for all and inclusive of everyone in the community.

In accordance with the *Western Australian Disability Services Act 1993*, the Town has established a Disability Access and Inclusion Plan (DAIP) that details the actions to be taken to support the Act's principles and goals.

The 2020 to 2025 DAIP was developed after a thorough community consultation and review. As required by the Act, the Town reports annually on the DAIP's achievements and progress to the Department of Communities.

In the 2023/2024 financial year, the East Fremantle Community Park was opened to the public. This fantastic new facility was designed with accessibility and inclusion at the forefront and features:

- hearing assistance
- a wheelchair-accessible grandstand with viewing areas on both ground and first floors
- an all-abilities gym with personal trainers offering customised exercise programs
- several pram and wheelchair ramps around the facility
- continuous footpath around the WAFL-grade football oval
- ample ACROD parking and
- located close to public transport.

In addition, throughout the reporting year, upgrades were made to various footpaths around the Town to enhance accessibility.

All Town employees completed online training modules on disability awareness; discrimination and equal employment opportunity; and managing unconscious bias. The Town is continuing to improve staff awareness of accessible information needs and how the community can obtain information in alternative formats.

The Town's Neighbourhood Link provides a comprehensive range of group social activities and one-on-one care services to people over 65 years.

Funded by the Federal Government and Commonwealth Home Support Programme funding, Neighbourhood Link services are provided to both East Fremantle residents and those from surrounding areas, and is offered to various people with special needs including dementia, vision impairment and hearing loss.

Neighbourhood Link team members speak various languages including Italian, Spanish and Mandarin to support attendees from various ethnic backgrounds.

In the reporting year, Neighbourhood Link purchased two Mazda 2 vehicles with low passenger seating to accommodate clients who have trouble transferring due to limited mobility, as they also provide transfer ease from gophers.

A wheelchair lift was also purchased for the bus to enable regular social group access for two clients using wheelchairs to attend bus outings.

In addition, the Neighbourhood Link team assess potential external venues for outings as part of their activity program, to audit accessibility requirements including parking, walking distance, ground level, steps and stairs, lifts and appropriate seating.



Statutory Reporting

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

Of the 78 activities contained within the 2023-2024 year of the Corporate Business Plan (CBP), all but seven are deemed to be either ongoing or completed.

Completed activities are typically projects compared to activities which are ongoing and generally relate to service delivery or the implementation of Plans and Strategies. They have multiple actions, and delivery is constrained by budget and resourcing.

The seven activities that have not commenced are:

- 4.3.1.6 Replace streetlights with LED lights and investigate smart technology (rolled into 2024/25 CBP)
- 5.1.1.6 Develop and implement an Elected Member Communications Plan (this will be completed as a matter of course when it becomes a statutory requirement)
- Review and update Community Safety and Crime Prevention Plan (activity rolled into new CBP)
- 1.3.2.3 Implement the four year public art program (no works undertaken in 23/24; Budget for public art to be allocated against the East Fremantle Community Park in 2024/25)
- 3.1.1.1 Development of Leeuwin Barracks – timelines are outside of the Town's controls and the project is on hold, subject to a National Defence Review.
- 3.1.2.1 5-year review of the Local Planning Strategy – this activity is listed in the new CBP as a 2026/27 activity.
- 3.2.1.1 Finalise, advertise and implement the major review of the Local Planning Scheme.

A new Corporate Business Plan 2024-2028 was presented to Council in June 2024. This document supersedes the Corporate Business Plan on which this reporting year is based, and replaces all existing activities.



Record Keeping Plan

The Town has an ongoing commitment to record keeping in accordance with the *State Records Act 2000 and Records Management Standard AS ISO 15489* which is supported through the use of a corporate electronic document management system.

The Town's Record Keeping Plan (RKP) details the process for management and disposal of records which are entered into the electronic records system.

The Town has reviewed its RKP and it has been lodged with the State Records Office, Western Australia for approval.

National Competition Policy

The Competition Principles Agreement is an inter-government 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:

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

In accordance with the requirements of the National Competition Policy, the Town makes the following disclosures for 2023-2024:

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 has assessed its operations and considers that the major trading undertaking at East Fremantle Community Park may be a prescribed business activity where competitive conduct needs to be assessed.

The Town has appointed an operator being Belgravia Leisure to manage and operate the facility at 'arm's length' under an Operator Agreement and Lease.

Whilst the Town is required to approve the Operating Budget, fees and charges are imposed by the operator and are benchmarked against private facilities providing similar goods and services. It is determined that fees and charges

are based on full cost recovery and whilst there are principles of Community Service Obligations (such as social welfare concessions for community groups), the level of Community Service Obligation does not materially impact the financial performance of the commercial business.

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 the National Competition Policy 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.

Freedom of Information

The *Freedom of Information Act 1992* allows the public the right to apply for access to information held by the Town. The Act requires the adoption of a Freedom of Information Statement, to be reviewed annually. A copy of the current statement is available on the Town's website. During the year under review, the Town received no applications for information under the Act.

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.

Public Disclosures

The Town is committed to the aims and objectives of the *Public Interest Disclosure Act 2003* (PID Act).

The PID Act aims to ensure openness and accountability in government by encouraging people to make disclosures and protecting them when they do.

It facilitates the disclosure of public interest information and provides protection for those making such disclosures, as well as those who are the subject of disclosures.

The PID Act also provides a process for the matters disclosed to be investigated and for appropriate action to be taken. The Town did not receive any public interest disclosure reports during the reporting year.

Standard Panel Costs

The Town did not pay any Standard Panel costs for hearing a complaint regarding a Council member, nor did the Standards Panel order any funds be reimbursed to the Town by a Council member.



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.

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 is as follows:

\$130,000 - \$139,999	1
\$150,000 - \$159,999	1
\$160,000 - \$169,999	1
\$190,000 - \$199,999	1

The remuneration provided to the CEO during the financial year was \$221,685. The remuneration is the total reward package as defined in the *Salaries and Allowances Act 1975* section 4 (1) and includes:

- Base salary
- Professional development
- Superannuation (mandatory and non-mandatory)

Local Laws

The Town currently has 11 local laws:

- Repeal Local Law 2017
- Waste Local Law 2017
- Waste Amendment Local Law 2017
- Plastic Bag Reduction 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 laws are to be reviewed within a period of eight years from the day when a local law commenced. The majority of the Town's local laws are due for review in 2024. A review of the Town's local laws is yet to commence in the 2024/25 financial year.

**Town of East Fremantle supplementary information
for the period ended 30 June 2024**

Capital Grants, Subsidies and Contributions

Program	Grant Provider	Purpose of Grant	Asset Purpose	2024 Actual	2023 Actual	2022 Actual
Recreation and Culture				\$	\$	\$
East Fremantle Oval Redevelopment	State Government	Election Commitment	Replace	14,690,969	9,380,260	928,771
East Fremantle Oval Redevelopment	Lotterywest	Towards a multi-use community space and nature playground	Replace	1,305,147	39,913	0
East Fremantle Bowling Club	Bowling Club Contribution	EF Oval Redevelopment	Replace	0	18,182	0
East Fremantle Football Club	Football Club Contribution	EF Oval Redevelopment	Replace	72,587	0	0
Fremantle City Women's Football Club	State Government	Election Commitment	Replace	338,384	0	0
Fremantle City Women's Football Club	Soccer Club Contribution		Replace	32,790	13,353	0
State Government Election Commitment	Department of Local Governemnt, Sport and Cultural Industries	Nature Play - Gourley Park	New	0	52,000	0
Administration						
Charge Up Project	State Government - Department of Energy, Mines, Industry Regulation and Safety	Town Hall EV Charger	New	9,189	0	0
Transport						
Federal Government Stimulus Payment	Department of Infrastructure	Local Roads and Community Infrastructure Program	Replace	84,181	286,896	227,778
Regional Road Group	Main Roads	Marmion Street Upgrade	Replace	0	229,235	0
				16,533,247	10,019,839	1,156,549

Town of East Fremantle for the year ended 30 June 2024 Major Land Transactions

(a) Details

The Town prepared and advertised a Business Plan in the 2020-2021 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
 - New playgroup facilities
 - Outdoor half hard court for basketball
 - 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 practical completion of the build was granted in March 2024, with Belgravia Leisure commencing trading in April 2024.

	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
(b) Current year transactions			
Revenue			
State Government Grant	14,690,969	14,690,969	9,380,260
AFL Facilities Funding	0	250,000	0
Lotterywest	1,305,147	1,305,147	39,913
East Fremantle Bowling Club contribution	0	0	18,182
East Fremantle Football Club contribution	72,587	58,706	0
Town of East Fremantle - Transfer from Reserves	1,137,013	688,879	2,647,161
Town of East Fremantle - Municipal funds	1,930,640	0	0
Borrowings	4,800,000	4,800,000	0
Expenditure			
Professional Services/Cost Plan	(21,289,195)	(19,776,296)	(12,085,516)
	2,647,161	2,017,405	(0)

The cost plan details a total project budget of \$34.669m including contingencies, funded as below:

State Government Grant	25,000,000
AFL Facilities Funding	250,000
Lotterywest	1,345,060
East Fremantle Bowling Club contribution	18,182
East Fremantle Football Club contribution	72,587
Town of East Fremantle - Transfer from Reserves	2,200,000
Town of East Fremantle - Municipal funds	983,400
Town of East Fremantle - Loan Borrowings	4,800,000
	<u>34,669,229</u>

Trading Undertakings and Major Trading Undertakings

(a) Details

The Town prepared and advertised a Business Plan in June 2023 proposing a Major Trading Undertaking in the 2023-2024 financial year per requirements of section 3.59 of the *Local Government Act 1995*.

The ageing East Fremantle Oval infrastructure has been replaced with an Integrated Community Sport and Leisure Facility and associated precinct.

Belgravia Leisure (Operator) has been appointed the operator of the East Fremantle Community Park (EFCP).

A key element to the long term success will be the partnerships that the Operator forms with the key precinct partners being the East Fremantle Football Club, East Fremantle Bowls Club and East Fremantle Croquet Club. Operator responsibilities will include but not limited to:

- Pre-opening services
- Precinct operation services
- Facility management services
- Asset management services
- Performance monitoring and reporting

The Town has entered into an Operator Agreement and Lease with the appointed Operator, which is a 5+5 year agreement. The Lease will terminate automatically on termination of the Operator Agreement. The Operator will be responsible for entering into sub-leases and licences with the incumbent sporting clubs and community groups.

All operating precinct expenses will be the responsibility of the Operator. The Operator will be required to submit an Annual Business Plan including an Operating Budget for approval. Facilities include a health club, a bar and function area and cafe. It is proposed that the Operator will receive a Management Fee (including recovery of corporate overheads) equivalent to 6 per cent of Operating Revenue.

A food and beverage payment is proposed for the Sporting Clubs based on the amount of revenue from sales attributable to each club. This payment will be treated as an expense against the Operating Budget. The following payments need to be made from the net profit generated by the facility prior to any distribution of profits to stakeholders; a sinking fund contribution of \$275,000 p.a. from Year 3, recovery of pre-opening service expenses and a contribution of up to \$200,000 p.a. to cover a portion of the Town's loan repayments.

The facility was opened in April 2024.

Trading Undertakings and Major Trading Undertakings (contd)

(b) Expected Cashflows

	2023/24	
	Actual	
Payments to Belgravia Leisure	\$	
Pre Opening Services Fee	245,522	
Lease Mobilisation Fee	22,500	
23/24 Trading Result*	0	
	<u>268,022</u>	
	2023/24 Actual	2023/24 Budget
	\$	\$
Revenue		
Gross Revenue - Food and Beverage	240,933	345,700
Health Club Revenue	148,757	178,890
	<u>389,690</u>	<u>524,590</u>
Expenditure		
Management Fee	0	(30,000)
Food and Beverage Expenses	(293,876)	(252,361)
Food and Beverage Payment to Clubs	0	0
Precinct Expenses	(629,777)	(375,865)
	<u>(923,653)</u>	<u>(658,226)</u>
Net Profit	<u>(533,963)</u>	<u>(133,636)</u>

* No operating subsidy is required to be paid in the 2023-24 Financial Year as Belgravia Leisure are required to cash flow the operations until 30 June 2025, after which a financial reconciliation will be completed and the Town will provide a payment equivalent to the operating deficit for the period April 2024 to June 2025

- Belgravia Leisure and the Town of East Fremantle are committed to working collaboratively to ensure the financial sustainability of East Fremantle Community. Park (EFCP) and to continue providing quality services to the community.
- EFCP incurred a loss of \$533k for the period April to June. This was attributed to significant early challenges including:
 - The building not being completed at handover (2 April) with works continuing for several months which hampered getting the venue ready for trading
 - Opening had to be delayed to mid-May for both the health club and the bar and restaurant with delays in furniture and equipment due to the international shipping crisis
 - Complications and significant delays with obtaining a permanent liquor licence which came at a considerable cost due to legal fees
- It is vital to recognise the importance of the revenue generated from the commercial business units (Carnaby's and B-Active Health Club) to cover the significant operating costs of the whole precinct, especially given that the clubs do not contribute to the ongoing running costs of the EFCP. It is also worth noting that any profits generated in the future will be reinvested into the sinking fund for capital renewal of the EFCP.
- EFCP has yet to achieve full operational status and Belgravia Leisure, and the Town look forward to all anchor tenants fully activating and supporting the facility. This will contribute to the overall success of this fantastic community hub.

Council Member Meeting Attendance

Council Member	Ordinary Council Meetings	Special Council Meetings	Planning Committee Meetings	Audit Committee Meetings	Works Committee Meetings	Concept Forums	Electors' Meeting
Mayor O'Neill	11	4	7	4	1 (Member to 31/10/23)	8	1
Cr C Collinson	11	3	8	Not a member	4	8	1
Cr K Donovan	11	4	6	1 (Member to 31/10/23)	1 (Member to 31/10/23)	7	1
Cr J Harrington (From 21/10/23)	7	3	5	Not a member	Not a member	6	1
Cr L Maywood (From 12/12/23)	6	2	4 (Member from 20/2/24)	Not a member	Not a member	4	1
Cr A McPhail	10	4	Not a member	2	2	6	1
Cr D Nardi (To 21/10/23)	4	1	2	Not a member	1	2	-
Cr A Natale	11	2	2 (Member to 31/10/23)	4	4	9	1
Cr A White	7	2	5	2	1	6	1
Cr M Wilson	10	4	Not a member	3	4	6	-

Council Members' Remuneration

	2024 Actual \$
Mayor J. O'Neill	
Mayor Annual Allowance	38,450
Meeting attendance fees	26,370
Annual allowance for ICT expenses	3,500
	68,320
Cr J. Harrington (elected October 2023)	
Meeting attendance fees	11,765
Annual allowance for ICT expenses	2,418
	14,183
Cr K. Donovan	
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	20,530
Cr A. McPhail	
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	20,530
Cr D. Nardi (elected to October 2023)	
Meeting attendance fees	5,265
Annual allowance for ICT expenses	1,082
	6,347
Cr L. Maywood (elected October 2023)	
Meeting attendance fees	11,765
Annual allowance for ICT expenses	2,418
	14,183
Cr C. Collinson	
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	20,530
Cr T. Natale	
Deputy Mayor Annual Allowance	9,612
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	30,142
Cr M. Wilson	
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	20,530
Cr A. White	
Meeting attendance fees	17,030
Annual allowance for ICT expenses	3,500
	20,530
	235,825

Diversity Data – Councillors

Four out of nine council members provided the diversity data detailed in the Local Government (Administration) Regulations 1996, regulation 19B. Five council members did not respond.

Gender



4 council members that responded were male

1 council member was female

Linguistic background

All respondents speak English at home



Country of birth

All respondents were born in Australia



Aboriginal and Torres Strait Islander

None of the respondents identified as Aboriginal or Torres Strait Islander



Age

1

respondent was between 55 years and 64 years



3

respondents were over the age of 64 years



EAST • FREMANTLE

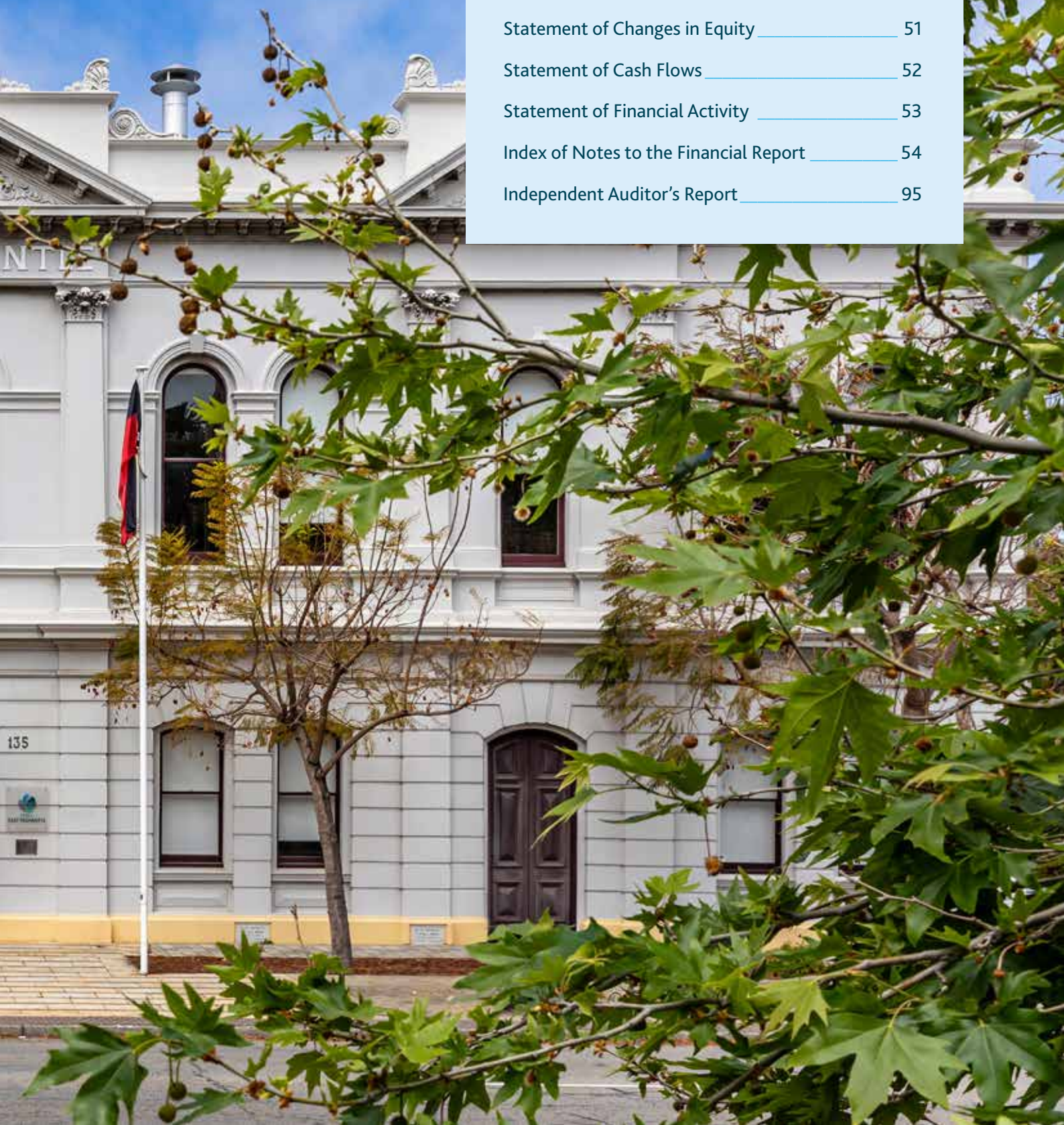
TOWN HALL

TOWN OF EAST FREMANTLE



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Statement by Chief Executive Officer

For the year ended 30 June 2024

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

STATEMENT BY CEO

The accompanying financial report of the Town of East Fremantle has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 6th day of December 2024



Chief Executive Officer

Jonathan Throssell

Name of Chief Executive Officer



Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),25	9,125,016	9,093,382	8,677,877
Grants, subsidies and contributions	2(a)	1,130,919	1,020,058	1,283,167
Fees and charges	2(a)	1,491,520	1,544,565	1,523,133
Interest revenue	2(a)	633,888	189,440	608,758
Other revenue	2(a)	148,295	42,000	53,697
		12,529,638	11,889,445	12,146,632
Expenses				
Employee costs	2(b)	(4,971,652)	(4,969,094)	(4,804,595)
Materials and contracts		(4,589,312)	(4,020,296)	(4,096,164)
Utility charges		(283,870)	(257,950)	(236,291)
Depreciation		(1,945,236)	(2,166,530)	(1,817,749)
Finance costs	2(b)	(170,461)	(134,490)	(9,425)
Insurance		(229,133)	(273,223)	(220,712)
Other expenditure	2(b)	(824,410)	(789,700)	(798,659)
		(13,014,074)	(12,611,283)	(11,983,595)
		(484,436)	(721,838)	163,037
Capital grants, subsidies and contributions	2(a)	16,533,247	15,979,948	10,019,839
Gain on disposal of assets held for sale		0	0	407,382
Profit on asset disposals		61,265	85,200	41,577
Loss on asset disposals		0	0	(4,797,942)
Loss on disposal of investment in associate		(522,047)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	4	1,681	0	3,686
Share of net profit of associates accounted for using the equity method	22(c)	11,562	0	(779,549)
		16,085,708	16,065,148	4,894,993
Net result for the period		15,601,272	15,343,310	5,058,030
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	0	9,483,113
Total other comprehensive income for the period	16	0	0	9,483,113
Total comprehensive income for the period		15,601,272	15,343,310	14,541,143

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



Statement of Financial Position

For the year ended 30 June 2024

	NOTE	2024 Actual \$	2023 Actual \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,568,217	14,631,561
Trade and other receivables	5	948,112	741,694
Other financial assets	4(a)	2,710,049	0
Other assets	6	231,260	167,731
TOTAL CURRENT ASSETS		6,457,638	15,540,986
NON-CURRENT ASSETS			
Trade and other receivables	5	98,356	96,650
Other financial assets	4	83,171	81,490
Investment in associate	22(a)	0	871,324
Property, plant and equipment	7	56,664,409	41,422,143
Infrastructure	8	51,243,518	45,730,099
Right-of-use assets	10(a)	142,490	208,607
TOTAL NON-CURRENT ASSETS		108,231,944	88,410,313
TOTAL ASSETS		114,689,582	103,951,299
CURRENT LIABILITIES			
Trade and other payables	11	1,677,237	4,750,979
Other liabilities	12	340,342	6,642,115
Lease liabilities	10(b)	45,114	44,114
Borrowings	13	150,564	5,068
Employee related provisions	14	806,705	757,227
Other provisions	15	80,000	268,434
TOTAL CURRENT LIABILITIES		3,099,962	12,467,937
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	152,623	198,300
Borrowings	13	4,576,802	94,112
Employee related provisions	14	193,595	125,624
TOTAL NON-CURRENT LIABILITIES		4,923,020	418,036
TOTAL LIABILITIES		8,022,982	12,885,973
NET ASSETS		106,666,600	91,065,326
EQUITY			
Retained surplus		54,124,260	38,114,935
Reserve accounts	28	2,710,049	2,638,933
Revaluation surplus	16	49,832,291	50,311,458
TOTAL EQUITY		106,666,600	91,065,326

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



Statement of Changes in Equity

For the year ended 30 June 2024

	NOTE	RETAINED SURPLUS Actual \$	RESERVE ACCOUNTS Actual \$	REVALUATION SURPLUS Actual \$	TOTAL EQUITY Actual \$
Balance as at 1 July 2022		33,211,629	2,484,209	40,828,345	76,524,183
Comprehensive income for the period					
Net result for the period		5,058,030	0	0	5,058,030
Other comprehensive income for the period	16	0	0	9,483,113	9,483,113
Total comprehensive income for the period		5,058,030	0	9,483,113	14,541,143
Transfers from reserve accounts	28	3,059,287	(3,059,287)	0	0
Transfers to reserve accounts	28	(3,214,011)	3,214,011	0	0
Balance as at 30 June 2023		38,114,935	2,638,933	50,311,458	91,065,326
Comprehensive income for the period					
Net result for the period		15,601,272	0	0	15,601,272
Total comprehensive income for the period		15,601,272	0	0	15,601,272
Divestment of Investment in Associate		479,167	0	(479,167)	0
Transfers from reserve accounts	28	1,468,825	(1,468,825)	0	0
Transfers to reserve accounts	28	(1,539,941)	1,539,941	0	0
Balance as at 30 June 2024		54,124,260	2,710,049	49,832,291	106,666,600

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

Statement of Cash Flows

For the year ended 30 June 2024

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		9,123,976	8,645,505
Grants, subsidies and contributions		1,048,366	1,085,873
Fees and charges		2,621,496	3,289,098
Interest revenue		633,888	608,758
Goods and services tax received		3,144,482	1,428,050
Other revenue		148,295	53,697
		16,720,503	15,110,981
Payments			
Employee costs		(4,847,547)	(4,702,224)
Materials and contracts		(10,579,965)	(3,187,505)
Utility charges		(283,870)	(236,291)
Finance costs		(132,678)	(9,425)
Insurance paid		(229,133)	(220,712)
Goods and services tax paid		(1,124,537)	(1,671,020)
Other expenditure		(746,203)	(784,962)
		(17,943,933)	(10,812,139)
Net cash provided by (used in) operating activities		(1,223,430)	4,298,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(16,372,623)	(12,353,340)
Payments for construction of infrastructure	8(a)	(6,286,571)	(1,070,224)
Capital grants, subsidies and contributions		9,765,956	14,927,453
Proceeds for financial assets at amortised cost		(2,710,049)	0
Proceeds from assets held for sale		0	1,850,000
Proceeds from sale of property, plant & equipment		82,050	49,040
Net cash provided by (used in) investing activities		(15,521,237)	3,402,929
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(77,610)	(97,259)
Payments for principal portion of lease liabilities	27(c)	(41,067)	(40,616)
Proceeds from new borrowings	27(a)	4,800,000	0
Net cash provided by (used in) financing activities		4,681,323	(137,875)
Net increase (decrease) in cash held		(12,063,344)	7,563,896
Cash at beginning of year		14,631,561	7,067,665
Cash and cash equivalents at the end of the year	3	2,568,217	14,631,561

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

Statement of Financial Activity

For the year ended 30 June 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	9,125,016	9,093,382	8,677,877
Grants, subsidies and contributions		1,130,919	1,020,058	1,283,167
Fees and charges		1,491,520	1,544,565	1,523,133
Interest revenue		633,888	189,440	608,758
Other revenue		148,295	42,000	53,697
Profit on asset disposals		61,265	85,200	41,577
Fair value adjustments to financial assets at fair value through profit or loss	4	1,681	0	3,686
Share of net profit of associates accounted for using the equity method	22(c)	11,562	0	(779,549)
		12,604,146	11,974,645	11,412,346
Expenditure from operating activities				
Employee costs		(4,971,652)	(4,969,094)	(4,804,595)
Materials and contracts		(4,589,312)	(4,020,296)	(4,096,164)
Utility charges		(283,870)	(257,950)	(236,291)
Depreciation		(1,945,236)	(2,166,530)	(1,817,749)
Finance costs		(170,461)	(134,490)	(9,425)
Insurance		(229,133)	(273,223)	(220,712)
Other expenditure		(824,410)	(789,700)	(798,659)
Loss on asset disposals		0	0	(4,797,942)
Loss on disposal of investment in associate		(522,047)	0	0
		(13,536,121)	(12,611,283)	(16,781,537)
Non-cash amounts excluded from operating activities	26(a)	2,457,238	2,081,330	7,405,386
Amount attributable to operating activities		1,525,263	1,444,692	2,036,195
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		16,533,247	15,979,948	10,019,839
Proceeds from disposal of assets		82,050	171,814	49,040
Proceeds from assets held for sale		0	0	1,850,000
		16,615,297	16,151,762	11,918,879
Outflows from investing activities				
Payments for investments in associates	22(b)	268,434	0	(268,434)
Purchase of property, plant and equipment	7(a)	(16,372,623)	(21,752,516)	(12,353,340)
Purchase and construction of infrastructure	8(a)	(6,286,571)	(672,000)	(1,070,224)
		(22,390,760)	(22,424,516)	(13,691,998)
Non-cash amounts excluded from investing activities	26(b)	(268,434)	0	268,434
Amount attributable to investing activities		(6,043,897)	(6,272,754)	(1,504,685)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	4,800,000	4,800,000	0
Transfers from reserve accounts	28	1,468,825	884,005	3,059,287
		6,268,825	5,684,005	3,059,287
Outflows from financing activities				
Repayment of borrowings	27(a)	(77,610)	(72,634)	(97,259)
Payments for principal portion of lease liabilities	27(c)	(41,067)	(49,807)	(40,616)
Transfers to reserve accounts	28	(1,539,941)	(1,112,010)	(3,214,011)
		(1,658,618)	(1,234,451)	(3,351,886)
Amount attributable to financing activities		4,610,207	4,449,554	(292,599)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	751,732	378,508	512,821
Amount attributable to operating activities		1,525,263	1,444,692	2,036,195
Amount attributable to investing activities		(6,043,897)	(6,272,754)	(1,504,685)
Amount attributable to financing activities		4,610,207	4,449,554	(292,599)
Surplus or deficit after imposition of general rates	26(c)	843,305	0	751,732

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 2024

1. BASIS OF PREPARATION

The financial report of the Town of East Fremantle which is a Class 3 local government 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 *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 *Financial Instruments Disclosures*
- AASB 16 *Leases* paragraph 58
- AASB 101 *Presentation of Financial Statements* paragraph 61
- AASB 107 *Statement of Cash Flows* paragraphs 43 and 45
- AASB 116 *Property, Plant and Equipment* paragraph 79
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* paragraph 85
- AASB 140 *Investment Property* paragraph 75(f)
- AASB 1052 *Disaggregated Disclosures* paragraph 11
- AASB 1054 *Australian Additional Disclosures* paragraph 16

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.

The Local Government (Financial Management) Regulations 1996 provide that:

- * land and buildings classified as property, plant and equipment; or
- * infrastructure; or
- * vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Town to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
- Property, plant and equipment - note 7
- Infrastructure - note 8
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - note 7 and 8
- Measurement of employee benefits - note 14
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 24.

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.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendments may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 *Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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/Refunds/Warranties	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 as inputs are shared	Output method based on project milestones and/or completion date matched to performance obligations
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 annually 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 2024

2. REVENUE AND EXPENSES

(a) 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	Payment 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 obligation	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 obligation	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

Consideration from contracts with customers is included in the transaction price.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

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

For the year ended 30 June 2024

Nature	Contracts with customers Actual	Capital grant/contributions Actual	Statutory Requirements Actual	Other Actual	Total Actual
	\$	\$	\$	\$	\$
Rates	0	0	9,125,016	0	9,125,016
Grants, subsidies and contributions	1,130,919	0	0	0	1,130,919
Fees and charges	894,245	0	597,275	0	1,491,520
Interest revenue	0	0	66,775	567,113	633,888
Other revenue	148,295	0	0	0	148,295
Capital grants, subsidies and contributions	0	16,533,247	0	0	16,533,247
Total	2,173,459	16,533,247	9,789,066	567,113	29,062,885

For the year ended 30 June 2023

Nature	Contracts with customers Actual	Capital grant/contributions Actual	Statutory Requirements Actual	Other Actual	Total Actual
	\$	\$	\$	\$	\$
Rates	0	0	8,677,877	0	8,677,877
Grants, subsidies and contributions	1,283,167	0	0	0	1,283,167
Fees and charges	821,427	0	701,706	0	1,523,133
Interest revenue	0	0	53,298	555,460	608,758
Other revenue	53,697	0	0	0	53,697
Capital grants, subsidies and contributions	0	10,019,839	0	0	10,019,839
Total	2,158,291	10,019,839	9,432,881	555,460	22,166,471

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

Note	2024 Actual	2023 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	530,932	491,101
Trade and other receivables overdue interest	71,458	53,299
Other interest revenue	31,499	64,358
	633,888	608,758
The 2024 original budget estimate in relation to: Trade and other receivables overdue interest was \$22,000.		
Fees and charges relating to rates receivable		
Charges on instalment plans	38,906	36,020
The 2024 original budget estimate in relation to: Charges on instalment plans was \$40,091.		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	65,000	53,750
- Other services – grant acquittals	5,950	5,900
	70,950	59,650
Employee Costs		
Employee benefit costs	4,971,652	4,804,595
	4,971,652	4,804,595
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	163,722	2,621
Lease liabilities	6,739	6,804
	170,461	9,425
Other expenditure		
Sundry expenses	824,410	798,659
	824,410	798,659

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2024 Actual \$	2023 Actual \$
	2,568,217	10,185,860
	0	4,445,701
	2,568,217	14,631,561
17	2,230,017	5,354,584
	338,200	9,276,977
	2,568,217	14,631,561

MATERIAL 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.

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.

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

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 reserve accounts, 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.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

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Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Movement attributable to fair value increment
Units in Local Government House Trust - closing balance

2024 Actual \$	2023 Actual \$
2,710,049	0
2,710,049	0
2,710,049	0
2,710,049	0
2,710,049	0
2,710,049	0
83,171	81,490
83,171	81,490
81,490	77,804
1,681	3,686
83,171	81,490

MATERIAL 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 a current market rates. They are classified as level 2 fair values in the fair value hierarchy.

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 or loss

The Town has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

5. TRADE AND OTHER RECEIVABLES

Current

Note	2024 Actual \$	2023 Actual \$
Rates and statutory receivables	70,387	68,034
Trade receivables	702,180	67,456
Other receivables	33,672	129,147
GST receivable	180,767	512,041
Allowance for credit losses of rates and statutory receivables	(46,439)	(43,638)
Loan receivables - East Fremantle Lawn Tennis Club (EFLTC)	3,000	3,000
Other receivables - East Fremantle Junior Cricket Club & East Fremantle Junior Football Club (EFJCC & EFJFC)	4,545	5,654
	948,112	741,694

Non-current

Rates and statutory receivables	85,633	76,382
Loan receivables - East Fremantle Lawn Tennis Club (EFLTC)	9,000	12,000
Other receivables - East Fremantle Junior Cricket Club & East Fremantle Junior Football Club (EFJCC & EFJFC)	3,723	8,268
	98,356	96,650

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2024 Actual \$	30 June 2023 Actual \$	1 July 2022 Actual \$
Contract assets	0	6,829	0
Total trade and other receivables from contracts with customers	0	6,829	0

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

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 2024

6. OTHER ASSETS

	2024 Actual	2023 Actual
	\$	\$
Other assets - current		
Prepayments	118,879	55,155
Accrued income	112,381	105,747
Contract assets	0	6,829
	231,260	167,731

MATERIAL 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.

Contract assets

Contract assets primarily relate to the Town's right to consideration for work completed but not billed at the end of the period.

Where applicable, impairment of assets associated with contracts with customers are detailed at Note 2(b).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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.

	Land		Buildings - non-specialised level		Buildings - specialised level		Total land and buildings		Furniture and equipment		Plant and equipment		Buildings - work in progress		Total property, plant and equipment	
	Actual	\$	Actual	\$	Actual	\$	Actual	\$	Actual	\$	Actual	\$	Actual	\$	Actual	\$
Balance at 1 July 2022	4,199,000		509,195		25,174,621		29,882,816		226,710		740,344		1,005,176		31,855,046	
Additions	0		9,291		58,733		68,024		24,413		70,980		12,189,923		12,353,340	
Disposals	0		0		(4,793,736)		(4,793,736)		(4,206)		(7,463)		0		(4,805,405)	
Revaluation increments / (decrements) transferred to revaluation surplus	125,000		220,426		2,816,351		3,161,777		0		0		0		3,161,777	
Depreciation	0		(47,472)		(884,869)		(932,341)		(80,607)		(129,667)		0		(1,142,615)	
Transfers	0		0		0		0		0		58,410		(58,410)		0	
Balance at 30 June 2023	4,324,000		691,440		22,371,100		27,386,540		166,310		732,604		13,136,689		41,422,143	
Comprises:																
Gross balance amount at 30 June 2023	4,324,000		2,243,000		40,797,900		47,364,900		359,020		1,460,139		13,136,689		62,320,748	
Accumulated depreciation at 30 June 2023	0		(1,551,560)		(18,426,800)		(19,978,360)		(192,710)		(727,535)		0		(20,898,605)	
Balance at 30 June 2023	4,324,000		691,440		22,371,100		27,386,540		166,310		732,604		13,136,689		41,422,143	
Additions	0		0		15,567,493		15,567,493		304,877		181,275		318,978		16,372,623	
Disposals	0		0		0		0		0		(20,783)		0		(20,783)	
Depreciation	0		(47,377)		(862,586)		(909,963)		(59,219)		(140,392)		0		(1,109,574)	
Transfers	0		0		13,014,287		13,014,287		0		0		(13,014,287)		0	
Balance at 30 June 2024	4,324,000		644,063		50,090,294		55,058,357		411,968		752,704		441,380		56,664,409	
Comprises:																
Gross balance amount at 30 June 2024	4,324,000		2,243,000		69,379,679		75,946,679		657,469		1,532,539		441,380		78,578,067	
Accumulated depreciation at 30 June 2024	0		(1,598,937)		(19,289,385)		(20,888,322)		(245,501)		(779,835)		0		(21,913,658)	
Balance at 30 June 2024	4,324,000		644,063		50,090,294		55,058,357		411,968		752,704		441,380		56,664,409	

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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 2023	An analysed price per square metre rate for a property derived from comparable market transactions.
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 2023	A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions.
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 2023	An analysed price per square metre rate for a property derived from comparable market transactions.
Buildings - non-specialised level 3		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 2023	A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions.
Buildings - specialised level 3		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 2023	A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements (continued)
(i) Fair Value (continued)

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost	Furniture and equipment	Cost	Cost	Purchase 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 2024

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.

	Infrastructure - Roads	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Parks and Cycleways	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Infrastructure - Work In Progress	Other Infrastructure - Actual	Total Infrastructure Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	22,326,445	4,400,680	4,090,750	5,624,739	2,301,881	211,248	15,000		38,970,743
Additions	354,230	56,707	305,347	294,899	0	0	59,041		1,070,224
(Disposals)	0	0	0	0	0	0	(15,000)		(15,000)
Revaluation increments / (decrements) transferred to revaluation surplus	3,664,481	693,398	653,383	901,144	373,595	35,335	0		6,321,336
Depreciation	(315,747)	(55,735)	(119,118)	(89,475)	(28,830)	(8,299)	0		(617,204)
Balance at 30 June 2023	26,029,409	5,095,050	4,930,362	6,731,307	2,646,646	238,284	59,041		45,730,099
Comprises:									
Gross balance at 30 June 2023	26,671,948	5,206,384	5,284,632	6,910,696	2,704,597	255,197	59,041		47,092,495
Accumulated depreciation at 30 June 2023	(642,539)	(111,334)	(354,270)	(179,389)	(57,951)	(16,913)	0		(1,362,396)
Balance at 30 June 2023	26,029,409	5,095,050	4,930,362	6,731,307	2,646,646	238,284	59,041		45,730,099
Additions	87,380	17,562	5,762,002	397,013	22,160	0	454		6,286,571
(Disposals)	0	0	0	0	0	0	0		0
Depreciation	(377,397)	(65,444)	(174,994)	(112,080)	(33,591)	(9,646)	0		(773,152)
Transfers	0	0	59,041	0	0	0	(59,041)		0
Balance at 30 June 2024	25,739,392	5,047,168	10,576,411	7,016,240	2,635,215	228,638	454		51,243,518
Comprises:									
Gross balance at 30 June 2024	26,759,328	5,223,946	11,105,676	7,307,711	2,726,758	255,197	454		53,379,070
Accumulated depreciation at 30 June 2024	(1,019,936)	(176,778)	(529,265)	(291,471)	(91,543)	(26,559)	0		(2,135,552)
Balance at 30 June 2024	25,739,392	5,047,168	10,576,411	7,016,240	2,635,215	228,638	454		51,243,518

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)
	Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)
	Infrastructure - Parks and Ovals	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)
	Infrastructure - Footpaths and Cycleways	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)
	Infrastructure - Car Parks	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)
	Infrastructure - Bus Shelters	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2023	Construction cost and current condition, residual value and remaining useful life assessments, ABS Producer Price Index (Index number 3101 Roads and bridge construction Western Australia)

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 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 used to determine the fair value of infrastructure using level 3 inputs.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land	Not depreciated
Buildings	20 to 75 years
Furniture and equipment	3 to 19 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 40 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	18 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
Parks and Ovals - turf	Not depreciated

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were

Revaluation (cont.)

pre-existing improvements (i.e. vested improvements) on land vested in the Town.

Whilst the regulatory framework only requires a revaluation to occur at every five years, it also provides for the Town to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes 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.

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

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Town is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more these non-financial assets are impaired, the 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 or losses on disposal

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

10. LEASES

(a) Right-of-Use Assets

		Right-of-use assets - Land - Property, Plant and Equipment	Right-of-use assets Total
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Actual	Actual
		\$	\$
Balance at 1 July 2022		238,311	238,311
Adjustment		28,226	28,226
Depreciation		(57,930)	(57,930)
Balance at 30 June 2023		208,607	208,607
Adjustment		(3,610)	(3,610)
Depreciation		(62,507)	(62,507)
Balance at 30 June 2024		142,490	142,490

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

		2024 Actual	2023 Actual
		\$	\$
Depreciation on right-of-use assets		(62,507)	(57,930)
Finance charge on lease liabilities	27(c)	(6,739)	(6,804)
Total amount recognised in the statement of comprehensive income		(69,246)	(64,734)
Total cash outflow from leases		(47,806)	(47,420)
(b) Lease Liabilities			
Current		45,114	44,114
Non-current		152,623	198,300
	27(c)	197,737	242,414

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

10. LEASES (Continued)

MATERIAL 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(c).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised 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 depreciated over the useful life of the underlying asset.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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

2024 Actual	2023 Actual
\$	\$
307,139	264,028
192,242	159,037
177,362	159,037
159,016	157,600
138,486	152,818
830,147	894,944
1,804,392	1,787,464

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

436,971	411,430
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The Town leases buildings and other community facilities to commercial organisations, members of the public and to community groups under lease agreement.

These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Lease payments for some agreements include CPI increases, but there are no other variable lease payments that depend on an index or rate.

MATERIAL 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 (e.g. 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 2024

11. TRADE AND OTHER PAYABLES

Current

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

2024 Actual	2023 Actual
\$	\$
725,208	3,996,414
77,748	67,184
58,973	52,317
155,814	149,869
621,711	485,195
37,783	0
1,677,237	4,750,979

MATERIAL 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 any 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 income for the prepaid rates that have not been refunded.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

12. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities
Income in advance

2024 Actual	2023 Actual
\$	\$
0	82,553
338,200	6,555,491
2,142	4,071
340,342	6,642,115
Reconciliation of changes in contract liabilities	
Opening balance	82,553
Additions	0
Revenue from contracts with customers included as a contract liability at the start of the period	(82,553)
0	82,553
Reconciliation of changes in capital grant/contribution liabilities	
Opening balance	6,555,491
Additions	338,200
Revenue from capital grant/contributions held as a liability at the start of the period	(6,555,491)
338,200	6,555,491
Expected satisfaction of capital grant/contribution liabilities	
Less than 1 year	338,200
338,200	6,555,491

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was Nil. (2023: \$82,553)

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.

MATERIAL 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.

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 income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, 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 24(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 2024

13. BORROWINGS

	Note	2024			2023		
		Current Actual	Non-current Actual	Total Actual	Current Actual	Non-current Actual	Total Actual
Secured		\$	\$	\$	\$	\$	\$
Debentures		150,564	4,576,802	4,727,366	5,068	94,112	99,180
Total secured borrowings	27(a)	150,564	4,576,802	4,727,366	5,068	94,112	99,180

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 2024 and 2023 years.

MATERIAL 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 24(i)) due to the unobservable inputs, including own credit risk.

Risk

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 2024

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave	482,336	430,041
Long service leave	284,572	281,751
Provision for rostered days off	34,279	37,522
Provision for time in lieu	5,518	7,913
Total current employee related provisions	806,705	757,227

Non-current provisions

Employee benefit provisions

Long service leave	193,595	125,624
Total non-current employee related provisions	193,595	125,624

Total employee related provisions

2024 Actual	2023 Actual
\$	\$
482,336	430,041
284,572	281,751
34,279	37,522
5,518	7,913
806,705	757,227
193,595	125,624
193,595	125,624
1,000,300	882,851

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.

MATERIAL 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 2024

15. OTHER PROVISIONS

	Equity Contribution - Investment in Associate	Settlement Agreement - Investment in Associate	Total
	\$	\$	\$
Opening balance at 1 July 2022	0	0	0
Additional provision	268,434	0	268,434
Balance at 30 June 2023	268,434	0	268,434
Opening balance at 1 July 2023	268,434	0	268,434
Additional provision	0	80,000	80,000
Unused amounts reversed	(268,434)	0	(268,434)
Balance at 30 June 2024	0	80,000	80,000
Comprises			
Current	0	80,000	80,000
	0	80,000	80,000

MATERIAL ACCOUNTING POLICIES

Provisions

Provisions are recognised when the Town has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

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16. REVALUATION SURPLUS

Revaluation surplus - Land - freehold land
 Revaluation surplus - Buildings - non-specialised level 2
 Revaluation surplus - Buildings - non-specialised level 3
 Revaluation surplus - Buildings - specialised level 3
 Revaluation surplus - Plant and equipment
 Revaluation surplus - Infrastructure - Roads
 Revaluation surplus - Infrastructure - Drainage
 Revaluation surplus - Infrastructure - Parks and Ovals
 Revaluation surplus - Infrastructure - Footpaths and Cycleways
 Revaluation surplus - Infrastructure - Car Parks
 Revaluation surplus - Infrastructure - Bus Shelters

Revaluation surplus - Share from investments in associates

* 2023 balance adjusted due to reclassification

	2024 Opening Balance Actual	2024 Reclassification Adjustment	Total Movement on Revaluation Actual	2024 Closing Balance Actual	2023 Opening Balance Actual	Total Movement on Revaluation Actual	2023 Closing Balance Actual
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	5,234,000		0	5,234,000	5,109,000	125,000	5,234,000
Revaluation surplus - Buildings - non-specialised level 2	17,223		0	17,223	17,223	0	17,223
Revaluation surplus - Buildings - non-specialised level 3	805,806		0	805,806	585,380	220,426	805,806
Revaluation surplus - Buildings - specialised level 3	13,974,761		0	13,974,761	11,158,410	2,816,351	13,974,761
Revaluation surplus - Plant and equipment	469,638		0	469,638	469,638	0	469,638
Revaluation surplus - Infrastructure - Roads	18,869,905		0	18,869,905	15,205,424	3,664,481	18,869,905
Revaluation surplus - Infrastructure - Drainage	4,034,587	(418,340)	0	3,616,247	3,341,189	275,058	3,616,247 *
Revaluation surplus - Infrastructure - Parks and Ovals	2,452,427		0	2,452,427	1,799,044	653,383	2,452,427
Revaluation surplus - Infrastructure - Footpaths and Cycleways	3,232,157		0	3,232,157	2,331,013	901,144	3,232,157
Revaluation surplus - Infrastructure - Car Parks	590,002	418,340	0	1,008,342	216,407	791,935	1,008,342 *
Revaluation surplus - Infrastructure - Bus Shelters	151,785		0	151,785	116,450	35,335	151,785
	49,832,291	0	0	49,832,291	40,349,178	9,483,113	49,832,291
Revaluation surplus - Share from investments in associates	479,167		(479,167)	0	479,167	0	479,167
	50,311,458	0	(479,167)	49,832,291	40,828,345	9,483,113	50,311,458

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 Actual \$
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	338,200	9,276,977
- Financial assets at amortised cost	4	2,710,049	0
		3,048,249	9,276,977
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	2,710,049	2,638,933
Contract liabilities	12	0	82,553
Capital grant liabilities	12	338,200	6,555,491
Total restricted financial assets		3,048,249	9,276,977

18. UNDRAWN BORROWING FACILITIES AND 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	(50)	(4,178)
Total amount of credit unused	1,019,950	1,015,822
Loan facilities		
Loan facilities - current	150,564	5,068
Loan facilities - non-current	4,576,802	94,112
Total facilities in use at balance date	4,727,366	99,180
Unused loan facilities at balance date	0	0

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

19. CONTINGENT LIABILITIES

Bank Guarantee

The Town has provided a bank guarantee in favour of the Parks and Wildlife Services 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.

20. CAPITAL COMMITMENTS

	2024 Actual	2023 Actual
	\$	\$
Contracted for:		
- contract liabilities for capital works	743,829	24,638,083
- plant & equipment purchases	107,676	0
	851,505	24,638,083
Payable:		
- not later than one year	851,505	24,638,083

The capital expenditure projects outstanding at the end of the current reporting period represent:

- Fremantle Women's Soccer Club	727,006
- Other Capital Projects	16,823
- plant & equipment purchases	107,676
	851,505

The prior year related to:

- East Fremantle Oval Redevelopment Project	24,564,879
- Fremantle Women's Soccer Club	73,204
	24,638,083

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
Mayor's annual allowance	38,450	38,450	28,560
Mayor's meeting attendance fees	26,370	26,370	25,500
Mayor's ICT expenses	3,500	3,500	3,500
	68,320	68,320	57,560
Deputy Mayor's annual allowance	9,612	9,612	7,140
Deputy Mayor's meeting attendance fees	17,030	17,030	15,810
Deputy Mayor's ICT expenses	3,500	3,500	3,500
	30,142	30,142	26,450
All other council member's meeting attendance fees	113,945	119,210	108,035
All other council member's ICT expenses	23,418	24,500	23,917
	137,363	143,710	131,952
21(b)	235,825	242,172	215,962

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
Mayor's annual allowance	38,450	38,450	28,560
Deputy Mayor's annual allowance	9,612	9,612	7,140
Meeting attendance fees	157,345	162,610	149,345
Annual allowance for ICT expenses	30,418	31,500	30,917
21(b)	235,825	242,172	215,962

(b) Key Management Personnel (KMP) Compensation

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

Note	2024 Actual	2023 Actual
	\$	\$
Short-term employee benefits	674,144	671,005
Post-employment benefits	82,707	86,491
Employee - other long-term benefits	75,490	72,275
Employee - termination benefits	0	43,228
Council member costs	235,825	215,962
21(a)	1,068,166	1,088,961

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

21. RELATED PARTY TRANSACTIONS

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:

	2024 Actual \$	2023 Actual \$
Purchase of goods and services	539,686	581,339
Loan Repayments (including interest & guarantee fee)	9,582	99,675
Annual contribution towards operating expenditure	27,690	29,704
Amounts payable to related parties:		
Trade and other payables	45,597	51,117

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 and are detailed in Notes 21(a) and 21(b)

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.

During the financial year 2023/24, the Town of East Fremantle was a participant in the 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 Resource Recovery Group (RRG - formerly SMRC), consists of four local governments which are participants in the 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 2024

22. INVESTMENT IN ASSOCIATES

(a) Investment in associates

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

Note 1.: Resource Recovery Group (RRG - formerly SMRC)

Note 2.: The Town, in this year ended 30 June 2024, accounted for its withdrawal from the RRG at 30 June 2024. The following note 22. provides details of the investment in associate prior to the withdrawal.

Name of entity	% of ownership interest		2024	2023
	2024	2023	Actual	Actual
Resource Recovery Group (RRG) - Existing Undertakings Proportional Equity Share	5.38%	5.38%	\$	\$
Resource Recovery Group (RRG) - Office Accommodation Project Proportional Equity Share	5.43%	5.44%		
Resource Recovery Group (RRG) - RRRC Project Proportional Equity Share	5.37%	5.37%		
Resource Recovery Group (RRG) - Consolidated			614,451	871,324
Total equity-accounted investments prior to accounting for the Town's withdrawal			614,451	871,324
Withdrawal from Resource Recovery Group as at 30 June 2024	0.00%		(614,451)	0
Total equity-accounted investments at 30 June 2024		Note 23	0	0

Reference note 23 as the Town has no entitlement to a share of equity due to post negotiations with the RRG.

(b) Share of investment in RRG

The Resource Recovery Group (RRG) 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 Resource Recovery Group (RRG), a legal constituted regional local government entity, for the provision of waste services. Control of the RRG rests with the RRG Council, which is comprised of a member from each participant Council.

According to clause 8.4 of the Establishment Agreement, a decision to proceed with a project, by project participants, is required to be unanimous. All other decisions of the RRG 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 had 33.33% voting rights in the RRG during its investment, it is considered to have significant influence over the RRG and meets the definition of an associate under AASB 128.3. Investment in the RRG 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 RRG 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, City of Kwinana in June 2021 and the Town of East Fremantle 2024.

(i) 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 2024 prior to accounting for its withdrawal was:

RRG Existing Undertakings Proportional Equity Share **5.38%**

(ii) 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 2024 prior to accounting for its withdrawal was:

RRRC Project Proportional Equity Share **5.37%**

RRRC - Lending Facility

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

22. INVESTMENT IN ASSOCIATES (Continued)

(b) Share of investment in RRG (Continued)

(iii) Office Accommodation Project

The Office Accommodation Project pertains to RRG's Office located at 9 Aldous Place, Booragoon, Western Australia.

The Town's equity share of the project was based on proportional population.

The Town's share as at 30 June 2024 prior to accounting for its withdrawal was:

Office Accommodation Project Proportional Equity Share **5.43%**

Office Accommodation - Lending facility

As a RRG participant, the Town 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 RRG administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30 June 2024, prior to the Town's withdrawal, the balance outstanding against the lending facility stood at: **\$1,708,024**
with the Town's share of this liability being: **\$92,404**

using the current cost/profit sharing percentage of: **5.41%**

Reference note 23 as loan has been de-recognised as at 30 June 2024 because the Town has no obligation regarding the liability.

Summarised statement of comprehensive income	Note	2024 Actual	2023 Audited*	2023 Unaudited**
Revenue		\$ 19,965,277	\$ 15,752,088	\$ 16,513,136
Interest revenue		341,382	238,952	238,952
Finance charge		(293,991)	(414,999)	(414,999)
Depreciation		(3,693,580)	(4,740,547)	(4,740,647)
Profit/(loss) from continuing operations		(2,485,583)	(9,105,243)	(9,519,311)
Profit/(loss) for the period		(2,485,583)	(9,105,243)	(9,519,311)
Other comprehensive income - Impairment of RRRC WCF assets		0	(6,963,290)	(6,963,290)
Total comprehensive income for the period		(2,485,583)	(16,068,533)	(16,482,601)
Summarised statement of financial position				
Cash and cash equivalents		3,705,332	4,756,898	4,756,898
Other current assets		9,731,408	9,326,355	9,326,355
Total current assets		13,436,740	14,083,253	14,083,253
Non-current assets		16,532,226	19,505,812	19,091,744
Total assets		29,968,966	33,589,065	33,174,997
Current financial liabilities		95,824	91,976	91,976
Other current liabilities		6,823,005	7,236,483	4,284,468
Total current liabilities		6,918,829	7,328,459	4,376,444
Non-current financial liabilities		1,612,200	1,708,024	1,708,024
Other non-current liabilities		10,020,977	10,650,038	10,650,038
Total non-current liabilities		11,633,177	12,358,062	12,358,062
Total liabilities		18,552,006	19,686,521	16,734,506
Net assets		11,416,960	13,902,544	16,440,491
Reconciliation to carrying amounts				
Opening net assets 1 July		13,902,544	32,923,092	32,923,092
Profit/(Loss) for the period		(2,485,583)	(9,105,243)	(9,519,311)
Other comprehensive income - Impairment of RRRC WCF assets		0	(6,963,290)	(6,963,290)
Recognition of Canning/Cockburn former Equity in RRG		0	(2,952,015)	0
Closing net assets 1 July		11,416,961	13,902,544	16,440,491
Carrying amount at 1 July		871,328	1,382,443	1,382,443
- Share of associates net profit/(loss) for the period	22(c)	(133,413)	(623,156)	(768,130)
- Share of associates other comprehensive income arising during the period		0	0	0
- Change to Accounting Estimate from Prior Year		144,974	(11,419)	(11,419)
- Provision for Contribution to equity in associate		(268,434)	268,434	268,434
- Disposal / Divestment of Investment in Associate		(614,455)	0	0
Carrying amount at 30 June (Refer to Note 22(a))		0	1,016,302	871,328

* 2023 Actuals have been restated for the purposes of this note only showing the audited results of the RRG.

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

In 2022/23 the Town provided for a share of associates net profit/(loss) of (\$768,130) - unaudited, whereas the audited accounts provided for a share of associates net profit/(loss) of (\$623,156). A difference of (\$144,974) has been accounted for in the 2023/24 financial year.

The share of associates net profit/(loss) and comprehensive income of \$11,561 is presented in the 2023/24 financial year.

The asset value of Investments in Associates (RRG) presented in the 2023 Annual Financial Statements was \$871,328 (unaudited) versus the \$1,016,302 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 2023/24 Financial Statements.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

22. INVESTMENT IN ASSOCIATES (Continued)

- (c) **Share of associates net profit/(loss) for the period**
Share of investment in RRG (refer to Note 22(b))

2024 Actual	2023 Audited*	2023 Unaudited**
\$	\$	\$
11,561	(634,575)	(779,549)
11,561	(634,575)	(779,549)

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Town has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not 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 2024

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Town, at its Ordinary Council Meeting held on 20 June 2023 resolved to commence its withdrawal from the RRG, effective 1 July 2024. On 18 June 2024, at its Ordinary Council Meeting, noted a letter from the RRG (dated 24 May 2024), and resolved as follows:

That Council, with respect to the Town of East Fremantle's withdrawal from the Resource Recovery Group (effective from 1 July 2024):

- 1. notes the letter from the Resource Recovery Group dated 24 May 2024 advising of the requirement for the Town to fund amended Business Plans at an estimated cost of \$200,000.*
- 2. notes the last paragraph in the letter from the Resource Recovery Group which leaves it open for the Town of East Fremantle to propose an alternative pathway.*
- 3. notes the information contained within the agenda report which concludes that the Town is unlikely to receive an equity payment upon withdrawal which will exceed the cost of the Amended Business Plans.*
- 4. authorises the Chief Executive Officer to contact the Resource Recovery Group and propose an alternative pathway in accordance with the options detailed in this report, with a view of avoiding the cost of the amended Business Plans.*

Following this resolution the Town's Chief Executive Officer entered negotiations for an exit pathway for the Town of East Fremantle's withdrawal from the Resource Recovery Group, with a view of mitigating risks and avoiding any trailing liabilities. Following negotiations, a Deed of Settlement and release was prepared which provides a full release from any further obligations including the loan liability for the Office Accommodation Project in exchange for a Settlement Sum of \$80,000.

Council at its Ordinary Council Meeting held on 20 August 2024 resolved in support of the Deed of Settlement and release as follows:

That Council, with respect to the Town of East Fremantle's withdrawal from the Resource Recovery Group:

- 1. authorises the Chief Executive Officer to sign a Deed of Settlement as per the terms outlined in this report, subject to a formal offer being received from the Resource Recovery Group.*
- 2. pursuant to section 6.8 (1)(2) of the Local Government Act 1995, authorises by absolute majority, a variation to the 2024/25 Budget as follows, resulting in a nil change in net current assets at 30 June 2025:*

Account Number	Description	Adopted Budget	Amended Budget	Variance
352	Transfer from Strategic Waste Reserve	\$0	\$80,000	\$80,000
	Settlement Payment – Resource Recovery Group	\$0	(\$80,000)	(\$80,000)
				\$0

Following, the RRG at its meeting held on 22 August 2024 resolved as follows:

Items 15.1 to 15.6 were moved en bloc

15.1 MEMBER COUNCIL WITHDRAWAL – TOWN OF EAST FREMANTLE

COUNCIL RESOLUTION

24.08-09 MOVED: Cr H Fitzhardinge SECONDED: Cr K Wheatland

CEO RECOMMENDATION:

That the Regional Council endorse the draft deed of settlement for the withdrawal of the Town of East Fremantle and give the CEO delegated authority to negotiate final terms and execute the Deed of Settlement on behalf of RRG.

For Cr K Wheatland, Cr H Fitzhardinge
CARRIED 2/0

The Settlement Agreement was entered into following the end of this reporting period, with the settlement being executed on 22 August 2024. Given the nature and timing of the events, the Town has deemed this to be an adjustment event in accordance with AASB 110 and has accounted for the event in the reporting period ended 30 June 2024 by:

1. Recognising a provision for the amount of the Settlement Sum of \$80,000 to be paid in 2024/25; and
2. Disposal of the Investment in Associate (RRG) including any obligations to the remaining loan borrowings.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

24. OTHER MATERIAL 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 report 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 receipt 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 revenue

Interest revenue 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 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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

25. RATING INFORMATION

General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value	2023/24 Actual Rate	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
Commercial	Residential	Gross rental valuation	0.06893	2,967	104,555,160	7,205,159	17,577	7,222,736	19,399	7,222,931	6,888,776
	Commercial	Gross rental valuation	0.11684	120	12,639,425	1,439,790	31,829	1,471,619	0	1,439,790	1,380,095
	Total general rates			3,087	117,194,585	8,644,949	49,406	8,694,355	19,399	8,662,721	8,268,871
Minimum payment	Residential	Gross rental valuation	1.243	336	5,267,300	417,648	0	417,648	0	417,648	389,536
	Commercial	Gross rental valuation	1.859	7	62,500	13,013	0	13,013	0	13,013	19,470
	Total minimum payments			343	5,329,800	430,661	0	430,661	0	430,661	409,006
Total general rates and minimum payments				3,430	122,524,385	9,075,610	49,406	9,125,016	19,399	9,093,382	8,677,877
Concession on general rates								0		0	0
Total Rates								9,125,016		9,093,382	8,677,877
Rate instalment interest								38,058		37,440	36,020
Rate overdue interest								28,717		22,000	17,278

The rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

26. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 Actual (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 Actual (30 June 2023 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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(61,265)	(85,200)	(41,577)
Less: Population adjustment to SMRC Loan Balance		(1,800)	0	(1,302)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,681)	0	(3,686)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		(11,562)	0	779,549
Add: Loss on disposal of assets/investment in associate		522,047	0	4,797,942
Add: Depreciation		1,945,236	2,166,530	1,817,749
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(9,251)	0	(9,457)
Employee benefit provisions		67,971	0	42,507
Non-current receivables		7,543	0	8,661
Movement from WIP to the Operating Statement		0	0	15,000
Non-cash amounts excluded from operating activities		2,457,238	2,081,330	7,405,386
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Non cash payments for investments in associates		(268,434)	0	268,434
Non-cash amounts excluded from investing activities		(268,434)	0	268,434
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity 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	(2,710,049)	(3,018,128)	(2,638,933)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	150,564	4,825,570	5,068
- Current provision for equity contribution - Investment in Associate		0	0	268,434
- Current portion of lease liabilities	10(b)	45,114	0	44,114
Total adjustments to net current assets		(2,514,371)	1,807,442	(2,321,317)
Net current assets used in the Statement of Financial Activity				
Total current assets		6,457,638	5,663,556	15,540,986
Less: Total current liabilities		(3,099,962)	(7,470,998)	(12,467,937)
Less: Total adjustments to net current assets		(2,514,371)	1,807,442	(2,321,317)
Surplus or deficit after imposition of general rates		843,305	0	751,732

For the year ended 30 June 2024

(a) Borrowings

Borrowing Finance Cost Payments

* The Town's share of RRG Loan

* The Town's share of RRG Loan Liability is adjusted annually based on proportional population of member local governments.

As per the Settlement Agreement entered into between the Town and the RRG, the Town has no further obligations in respect of the RRGs loan borrowings. The Town's share of RRG Loan Liability is adjusted annually based on proportional population of member local governments.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget	
East Fremantle Community Park Redevelopment	WATC+	Debenture	20	4.82%	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 0
+ WA Treasury Corporation					\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 0

(c) Lease Liabilities

Purpose	Actual						Budget					
	Note	Principal at 1 July 2022	New Leases During 2022-23	ROU Adjustment 2022-23	Principal at 30 June 2023	New Leases During 2023-24	ROU Adjustment 2022-23	Principal at 30 June 2024	Principal Repayments During 2023-24	Principal at 1 July 2023	New Leases During 2023-24	Principal at 30 June 2024
River seabed (Mooring Pens)		\$ 254,804	\$ 0	\$ 28,226	\$ 282,226	\$ 0	\$ 0	\$ 282,226	\$ 0	\$ 282,226	\$ 0	\$ 282,226
Total Lease Liabilities	10(b)	\$ 254,804	\$ 0	\$ 28,226	\$ 282,226	\$ 0	\$ 0	\$ 282,226	\$ 0	\$ 282,226	\$ 0	\$ 282,226
Lease Finance Cost Payments												
Purpose	Note	Institution	Interest Rate	Date final payment is due	Actual for year ended 30 June 2024	Budget for year ended 30 June 2024	Lease Term (months)	Actual for year ended 30 June 2023	Budget for year ended 30 June 2023	Lease Term (months)	Actual for year ended 30 June 2023	Budget for year ended 30 June 2023
River seabed (Mooring Pens)	2(b)	Department of Transport	2.60%	1/06/2028	\$ (6,739)	\$ (8,000)	252	\$ (6,804)	\$ (8,000)	252	\$ (6,804)	\$ (8,000)
Total Finance Cost Payments					\$ (6,739)	\$ (8,000)		\$ (6,804)	\$ (8,000)		\$ (6,804)	\$ (8,000)

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

28. RESERVE ACCOUNTS

	2024		2024		2024		2024		2024		2024		2023		2023		2023	
	Actual	Transfer to	Actual	Transfer (from)	Actual	Transfer (from)	Budget	Transfer to	Budget	Transfer (from)	Budget	Closing Balance	Actual	Transfer to	Actual	Transfer (from)	Actual	Closing Balance
Restricted by legislation/agreement																		
(a) Payment in Lieu of Parking Reserve	137,010	0	0	0	137,010	0	137,010	0	0	0	137,010	137,010	137,010	0	0	0	0	137,010
	137,010	0	0	0	137,010	0	137,010	0	0	0	137,010	137,010	137,010	0	0	0	0	137,010
Restricted by council																		
(b) Vehicle, Plant and Equipment Reserve	50,407	0	(50,407)	0	0	0	50,407	0	0	0	50,407	50,407	50,407	0	0	0	0	50,407
(c) Aged Services Reserve	0	0	0	0	0	0	0	0	0	0	0	11,803	11,803	0	(11,803)	0	0	0
(d) Strategic Asset Management Reserve	64,920	0	(64,920)	0	0	0	64,920	0	0	0	64,920	64,920	64,920	0	0	0	0	64,920
(e) Arts and Sculpture Reserve	165,664	30,000	0	0	195,664	0	165,664	30,000	(45,000)	0	150,664	156,772	156,772	45,000	(36,108)	0	0	165,664
(f) Waste Reserve	35,000	0	0	0	35,000	0	35,000	0	0	0	35,000	35,000	35,000	0	0	0	0	35,000
(g) Streetscape Reserve	75,000	0	0	0	75,000	0	75,000	0	0	0	75,000	75,000	75,000	0	0	0	0	75,000
(h) Drainage Reserve	193,293	0	(60,000)	0	133,293	0	216,000	0	0	0	216,000	250,000	250,000	0	(56,707)	0	0	193,293
(i) East Fremantle Oval Redevelopment Reserve	341,431	1,046,111	(1,137,013)	0	250,529	0	532,641	588,043	(156,077)	0	964,607	1,076,170	1,076,170	2,111,372	(2,846,111)	0	0	341,431
(j) Preston Point Facilities Reserve	145,290	0	(145,290)	0	0	0	65,290	0	(30,000)	0	35,290	95,290	95,290	50,000	0	0	0	145,290
(k) Sustainability and Environmental Reserve	304,723	133,830	0	0	438,553	0	304,723	133,830	(310,000)	0	128,553	210,337	210,337	129,288	(34,902)	0	0	304,723
(l) Town Planning Reserve	100,000	50,000	0	0	150,000	0	100,000	50,000	0	0	150,000	70,000	70,000	30,000	0	0	0	100,000
(m) Business Improvement Reserve	50,000	100,000	0	0	150,000	0	50,000	100,000	0	0	150,000	16,500	16,500	50,000	0	0	0	50,000
(n) Old Police Station Reserve	16,500	0	(11,195)	0	5,305	0	16,500	30,137	(16,244)	0	30,393	0	0	0	0	0	0	16,500
(o) Strategic Waste Reserve	146,684	180,000	0	0	326,684	0	146,684	180,000	(326,684)	0	0	0	0	146,684	0	0	0	146,684
(p) Plympton Parking Reserve	616,667	0	0	0	616,667	0	616,666	0	0	0	616,666	270,000	270,000	616,667	(73,656)	0	0	616,667
(q) Foreshore Management Plan	196,344	0	0	0	196,344	0	213,618	0	0	0	213,618	0	0	0	(73,656)	0	0	196,344
	2,501,923	1,539,941	(1,468,825)	0	2,573,039	0	2,653,113	1,112,010	(884,005)	2,881,118	2,881,118	2,347,199	2,347,199	3,214,011	(3,059,287)	2,501,923	2,501,923	2,501,923
	2,638,933	1,539,941	(1,468,825)	0	2,710,049	0	2,790,123	1,112,010	(884,005)	3,018,128	3,018,128	2,484,209	2,484,209	3,214,011	(3,059,287)	2,638,933	2,638,933	2,638,933

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:

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

28. RESERVE ACCOUNTS (Continued)

Name of reserve account		Purpose of the reserve account
Restricted by legislation/agreement		
(a)	Payment in Lieu of Parking Reserve	To receive and apply funds for payments received in lieu of parking.
Restricted by council		
(b)	Vehicle, Plant and Equipment Reserve	To support the funding of vehicle, plant and equipment purchases.
(c)	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.
(d)	Strategic Asset Management Reserve	To fund the acquisition of new and renewal of existing Town infrastructure, buildings and other assets.
(e)	Arts and Sculpture Reserve	To provide for the commissioning and purchase of public art works in accordance with the Town's Public Arts Strategy.
(f)	Waste Reserve	To fund and support waste management services including but not limited to refuse collection, waste management initiatives and programs, infrastructure and buildings and legal expenses associated with waste management.
(g)	Streetscape Reserve	To implement Streetscape initiatives including the redevelopment of George Street.
(h)	Drainage Reserve	To fund drainage asset management requirements.
(i)	East Fremantle Oval Redevelopment Reserve	To fund all costs associated with the redevelopment of the East Fremantle Oval precinct.
(j)	Preston Point Facilities Reserve	To fund all costs associated with the implementation of the Preston Point Facilities Master Plan.
(k)	Sustainability and Environmental Reserve	To fund sustainability and environmental initiatives as well as support actions/recommendations from the Community Climate Action Plan.
(l)	Town Planning Reserve	To fund planning and building works associated with the protection and amenity of the built environment.
(m)	Business Improvement Reserve	To fund the implementation of business improvement initiatives including the Town's enterprise resource planning system.
(n)	Old Police Station Reserve	To receive the net income from the Old Police Station for building maintenance and renewal purposes.
(o)	Strategic Waste Reserve	To fund strategic waste initiatives including any costs associated with participation in the regional local government.
(p)	Plympton Parking Reserve	To fund parking management initiatives within the Plympton precinct.
(q)	Foreshore Management Plan	To fund all costs associated with the implementation of the Foreshore Management Plan.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2024

29 TRUST FUNDS

The Town did not hold any funds at balance date which are required to be held in trust.

Independent Auditor's Report

For the year ended 30 June 2024



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Town of East Fremantle

To the Council 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 as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material 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 2024 and its financial position at the end of that period
- is 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.

Emphasis of matter

Events occurring after the end of the reporting period - adjusting event

I draw attention to Note 23 to the financial report, which states that, following the end of the financial year ended 30 June 2024, a Deed of Settlement and release was executed between the Council and the Resource Recovery Group (RRG) with respect to the Town's withdrawal from the RRG and provided the Town a full release from any further obligations in exchange for a Settlement Sum. My opinion is not modified in respect of this matter.

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 2024, 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 (CEO) of the Town is responsible for:

- keeping proper accounts and records
- 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 management 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 ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management 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 2024 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
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 December 2024







TOWN of
EAST FREMANTLE

eastfremantle.wa.gov.au