



MINUTES

Audit Committee Minutes

Wednesday, 1 March 2023 6:00:00 PM

Disclaimer

Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (section 5.25 I) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The Town of East Fremantle expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the Council meeting.

Copyright

The Town wishes to advise that any plans or documents contained within the Minutes may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. The Town wishes to advise that any plans or documents contained within this Agenda may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction.

CONTENTS

1	DECLARATION OF OPENING OF MEETING/ANNOUNCEMENTS OF VISITORS	3
2	ACKNOWLEDGEMENT OF COUNTRY	3
3	RECORD OF ATTENDANCE	3
4	MEMORANDUM OF OUTSTANDING BUSINESS	3
5	DISCLOSURES OF INTEREST	3
6	PUBLIC QUESTION TIME	3
7	PRESENTATIONS/DEPUTATIONS	4
7.1	PROCEDURAL MOTION.....	4
8	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	4
8.1	AUDIT COMMITTEE Wednesday, 2 November 2022.....	4
9	ANNOUNCEMENTS BY THE PRESIDING MEMBER	4
10	REPORTS	4
10.1	AUDIT REPORT AND ANNUAL MEETING WITH AUDITORS	5
10.2	FINANCIAL MANAGEMENT REVIEW AND AUDIT REG 17 REVIEW.....	70
10.3	COMPLIANCE AUDIT RETURN 2022.....	116
10.4	INTEGRITY FRAMEWORK.....	165
10.5	MID YEAR BUDGET REVIEW	186
10.6	EAST FREMANTLE OVAL REDEVELOPMENT GRANT - ACCOUNTING TREATMENT	219
10.7	AUDIT COMMITTEE STATUS REPORT	252
11	MATTERS BEHIND CLOSED DOORS.....	257
12	CLOSURE OF MEETING	257

MINUTES

1 DECLARATION OF OPENING OF MEETING/ANNOUNCEMENTS OF VISITORS

The Presiding Member opened the meeting at 6.03pm. He thanked Russell Barnes and Tanya Browning from Moore Australia and Michelle Lai from the Office of the Auditor General for attending the meeting.

2 ACKNOWLEDGEMENT OF COUNTRY

“On behalf of the Council I would like to acknowledge the Whadjuk Nyoongar people as the traditional custodians of the land on which this meeting is taking place and pay my respects to Elders past, present and emerging.”

3 RECORD OF ATTENDANCE

The following members were in attendance:

Cr T Natale	Presiding Member
Mayor J O’Neill	
Cr A McPhail	
Cr K Donovan	
Cr A White	
Cr M Wilson	
Mr B Arnold	Independent Committee Member

The following staff were in attendance:

Mr Gary Tuffin	Chief Executive Officer
Mr Peter Kocian	Executive Manager, Corporate Services
Mr Phil Garoni	Manager, Finance
Mrs Bron Browning	Minute Secretary

Michelle Lai, Office of the Auditor General, Russell Barnes and Tanya Browning, Moore Australia were in attendance.

4 MEMORANDUM OF OUTSTANDING BUSINESS

Nil.

5 DISCLOSURES OF INTEREST

Nil.

6 PUBLIC QUESTION TIME

Nil.

7 PRESENTATIONS/DEPUTATIONS

7.1 PROCEDURAL MOTION

Moved Mayor O'Neill, seconded Cr White

That the order of business be changed to allow the Office of the Auditor General and Moore Australia to provide their updates under reports 10.1 and 10.2.

(CARRIED UNANIMOUSLY)

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 AUDIT COMMITTEE WEDNESDAY, 2 NOVEMBER 2022

OFFICER RECOMMENDATION

Moved Mayor O'Neill, seconded Cr McPhail

That the minutes of the Audit Committee meeting held on Wednesday, 2 November 2022 be confirmed as a true and correct record of proceedings.

(CARRIED UNANIMOUSLY)

9 ANNOUNCEMENTS BY THE PRESIDING MEMBER

Nil

10 REPORTS

Reports start on the next page

10.1 AUDIT REPORT AND ANNUAL MEETING WITH AUDITORS

Report Reference Number	ACR-406
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting date	Wednesday, 1 March 2023
Voting requirements	Simple Majority
Documents tabled	Nil

Attachments

1. Audited Annual Financial Report for the Year Ended 30 June 2022 (Signed and Stamped)
2. Independent Auditors Report 2022
3. **Management Letter A – Financial Audit (Confidential)**
4. **Management Letter B – Information Systems Audit (Confidential)**

PURPOSE

The purpose of this report is for the Audit Committee to receive the Audited Annual Financial Report for the year ended 30 June 2022.

The Audit Committee is being requested to note that representatives from the Office of the Auditor General will be attending the March Meeting.

EXECUTIVE SUMMARY

Section 6.4 of the Local Government Act 1995 requires local governments to prepare an annual financial report for the preceding financial year. The financial report is to be prepared and presented in the manner and form prescribed in the Local Government (Financial Management) Regulations 1996. Local Governments are required to submit the annual financial report to its auditor by the 30 September.

The Town has requested attendance by the Office of the Auditor General to this meeting. This presents an opportunity for the Committee to meet with the Auditors and discuss any matters relating to the external audit.

BACKGROUND

The 2021/22 audit timeline included field work from the 3 October to 28 October 2022. An exit meeting was held on the 23 November 2022, at which time the Chief Executive Officer signed the financial statements and the representation letter. The Auditor's Opinion was subsequently issued on 28 November 2022. Part 7 of the Local Government Act 1995 deals with matters specific to the conduct of local government audit. Section 7.12A requires that a local government do the following amongst other things:

- Examine the audit report;
- Determine if any matters raised by the audit report, require action to be taken;
- Ensure that appropriate action is taken in respect of those matters;
- Prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters;
- Provide a copy of that report to the Minister within 3 months after the audit report is received by the local government; and
- Within 14 days after a local government gives a report to the Minister, the CEO must publish a copy of the report on the local government's official website.

CONSULTATION

Office of the Auditor General

STATUTORY ENVIRONMENT

Part 7 of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996 applies to audit in local government.

After the annual financial report has been audited, the CEO is to sign and append to the report a declaration. A copy of the annual financial report is then to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

POLICY IMPLICATIONS

The Department of Local Government has published Operational Guideline No. 9 Audit in Local Government that covers the appointment, functions and responsibilities of Audit Committees.

FINANCIAL IMPLICATIONS

The Town accrued expenditure of \$48,000 (Ex GST) in audit fees for 2021/22, being the indicative audit fee previously advised. The 2018/19 Audit Fee, being the first year of audit under OAG, was \$40,184.

STRATEGIC IMPLICATIONS

Strategic Priority 5 – Leadership and Governance

5.1 Strengthen organisational accountability and transparency

5.3 Strive for excellence in leadership and governance

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That the Town receives a qualified audit report	Possible (3)	Moderate (3)	Moderate (5-9)	Reputation/Compliance	Control through robust internal controls and staff development

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)

Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	9
Does this item need to be added to the Town's Risk Register	Yes
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable

COMMENT

The Annual Financial Report of the Town of East Fremantle for the financial year ended 30 June 2022 is based on proper accounts and records to fairly present the financial position of the Town of East Fremantle at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent they are not inconsistent with the Act, the Australian Accounting Standards.

Management Letters

Two management letters are presented under confidential cover. The findings from the Information Systems Audit were presented to the Audit Committee of 2nd November 2022. Therefore, these are not discussed further in this report.

The finding regarding the fair value of infrastructure assets will be a common finding for all local governments that haven't performed a full revaluation of assets for the 21/22 FY. Essentially, OAG have observed price indices for the construction market which indicate that the cost of construction has increased, and therefore the fair value of assets may have been impacted. They are requesting local governments undertake additional steps to assess whether prevailing market factors may indicate that the fair value of assets are likely to have been impacted to a material extent. Attention is drawn to Management's comment in the letter.

CONCLUSION

The Audit Committee is requested to receive the Audited Annual Financial Report for the year ended 30 June 2022.

Representatives from the Office of the Auditor General will be invited to meet with the Audit Committee and there will be an opportunity to discuss the contents of the Annual Financial Report and Auditors Report.

10.1 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 010103

OFFICER RECOMMENDATION

Moved Cr McPhail, seconded Mayor O'Neill

That the Audit Committee:

- 1. receive the Annual Financial Report for the Year Ended 30 June 2022, inclusive of the Independent Auditor's Report.**
- 2. Note that Council received the Annual Financial Report inclusive of the Independent Audit Report at its Ordinary Meeting of 13 December 2022, and a copy of the Annual Financial Report was submitted to the Department Chief Executive Officer on the 14 December 2022.**

(CARRIED UNANIMOUSLY)

NB: Michelle Lai, Office of Auditor General spoke to the Annual Financial report and discussed the findings with Elected Members.

Elected Members thanked Peter Kocian and his team for their efforts during the audit process.

REPORT ATTACHMENTS

Attachments start on the next page

**TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

TABLE OF CONTENTS

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	57

The Town of East Fremantle conducts the operations of a local government with the following community vision:

Inclusive community, balancing growth and lifestyle.

Principal place of business:
135 Canning Highway
East Fremantle 6158

**TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of East Fremantle for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Town of East Fremantle at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 23rd day of November 2022



Chief Executive Officer

Mr. Gary Tuffin

Name of Chief Executive Officer

TOWN OF EAST FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

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

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

**TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

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

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

**TOWN OF EAST FREMANTLE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

**TOWN OF EAST FREMANTLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

**TOWN OF EAST FREMANTLE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

**TOWN OF EAST FREMANTLE
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	13
Note 4	Other Financial Assets	13
Note 5	Trade and Other Receivables	14
Note 6	Other Assets	15
Note 7	Property, Plant and Equipment	16
Note 8	Infrastructure	19
Note 9	Fixed Assets	21
Note 10	Leases	24
Note 11	Trade and Other Payables	26
Note 12	Other Liabilities	27
Note 13	Borrowings	28
Note 14	Employee Related Provisions	29
Note 15	Revaluation Surplus	30
Note 16	Notes to the Statement of Cash Flows	31
Note 17	Contingent Liabilities	32
Note 18	Capital Commitments	34
Note 19	Related Party Transactions	35
Note 20	Investment in Associates	37
Note 21	Financial Risk Management	39
Note 22	Events Occurring After the End of the Reporting Period	43
Note 23	Other Significant Accounting Policies	44
Note 24	Function and Activity	45
Note 25	Rating Information	48
Note 26	Rate Setting Statement Information	51
Note 27	Borrowing and Lease Liabilities	52
Note 28	Reserve accounts	53
Note 29	Trust Funds	54
Note 30	Major Land Transactions	55
Note 31	Trading Undertakings and Major Trading Undertakings	56

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligation	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle

TOWN OF EAST FREMANTLE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

(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	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges for other goods and services	Reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed
Fees & Charges Mooring Pen Fees	Leasing Mooring Pen	Single point in time	Payment in full in advance	Contract	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction on cancellation	On entry or at conclusion of hire
Fees & Charges - Property Leases	Leasing of Commercial or Residential Properties	Single point in time	Payment in full in advance	Contract	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction on	On entry or at conclusion of hire

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	8,302,387	0	8,302,387
Operating grants, subsidies and contributions	1,082,054	0	0	0	1,082,054
Fees and charges	843,239	0	538,799	0	1,382,038
Interest earnings	0	0	52,143	20,168	72,311
Other revenue	78,962	0	137,009	0	215,971
Capital grants, subsidies and contributions	0	1,156,549	0	0	1,156,549
Total	2,004,255	1,156,549	9,030,338	20,168	12,211,310

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,988,354	0	7,988,354
Operating grants, subsidies and contributions	1,167,731	0	0	0	1,167,731
Fees and charges	1,009,464	0	323,677	0	1,333,141
Interest earnings	4	0	37,046	12,087	49,137
Other revenue	92,210	0	0	0	92,210
Capital grants, subsidies and contributions	0	180,505	0	0	180,505
Total	2,269,409	180,505	8,349,077	12,087	10,811,078

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest earnings			
Interest on reserve funds	7,323	10,000	3,706
Rates instalment and penalty interest (refer Note 25(c))	52,143	75,000	37,046
Other interest earnings	12,845	20,000	8,381
	72,311	105,000	49,133
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	49,960	55,000	43,396
	49,960	55,000	43,396
Finance costs			
Borrowings	27(a) 7,146	14,500	11,172
Lease liabilities	27(d) 7,074	8,000	7,978
	14,220	22,500	19,150
Other expenditure			
Sundry expenses	798,313	775,034	692,904
	798,313	775,034	692,904

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3. CASH AND CASH EQUIVALENTS

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

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

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

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		76,390	162,223
Trade and other receivables		55,012	81,861
GST receivable		131,356	73,736
Allowance for credit losses of trade and other receivables	21(b)	(19,011)	(26,358)
Loan receivables - Clubs		3,000	3,000
Other receivables		5,654	0
		252,401	294,462
Non-current			
Pensioner's rates and ESL deferred		66,925	46,586
Loan receivables - Clubs		15,000	18,000
Other receivables		13,922	0
		95,847	64,586

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Prepayments	45,768	37,041
Accrued income	6,331	24,286
	52,099	61,327
Non-current assets held for sale		
Land and Buildings - 128 George St	1,442,619	0
	1,442,619	0

Land and buildings classified as held for sale

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

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

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 7 (b)(i).

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised - level 2	Buildings - non-specialised - Level 3	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	4,330,900	55,500	604,000	27,320,601	32,311,001	272,101	945,354	0	33,528,456
Additions	0	0	0	34,415	34,415	85,921	204,458	14,000	338,794
Disposals	0	0	0	(33,201)	(33,201)	(8,506)	(17,758)	0	(59,465)
Assets expensed to P+L	0	0	0	0	0	0	(38,887)	0	(38,887)
Depreciation	9(a)	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(62,213)	(290,160)	0	(1,483,691)
Transfers					0		61,918	0	61,918
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,303	864,925	14,000	32,347,125
Comprises:									
Gross balance amount at 30 June 2021	4,330,900	55,500	604,000	27,321,815	32,312,215	390,263	1,369,999	14,000	34,086,477
Accumulated depreciation at 30 June 2021	0	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(102,960)	(505,074)	0	(1,739,352)
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,303	864,925	14,000	32,347,125
Additions	0	0	0	20,607	20,607	13,324	129,876	991,176	1,154,983
Disposals	0	0	0	0	0	0	(38,875)	0	(38,875)
Revaluation increments / (decrements) transferred to revaluation surplus	1,268,100	17,223	0	0	1,285,323	0	0	0	1,285,323
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	0	0
Tfr to Assets classified as held for sale	(1,400,000)	(69,949)	0	0	(1,469,949)	0	0	0	(1,469,949)
Impairment (losses) / reversals	0	0	0	0	0	0	0	0	0
Depreciation	9(a)	(1,387)	(47,403)	(1,085,272)	(1,134,062)	(73,917)	(215,582)	0	(1,423,561)
Transfers		0	0	0	0	0	0	0	0
Balance at 30 June 2022	4,199,000	0	509,195	25,174,621	29,882,816	226,710	740,344	1,005,176	31,855,046
Comprises:									
Gross balance amount at 30 June 2022	4,199,000	0	604,000	27,342,422	32,145,422	403,587	1,416,749	1,005,176	34,970,934
Accumulated depreciation at 30 June 2022	0	0	(94,805)	(2,167,801)	(2,262,606)	(176,877)	(676,405)	0	(3,115,888)
Balance at 30 June 2022	4,199,000	0	509,195	25,174,621	29,882,816	226,710	740,344	1,005,176	31,855,046

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements (Continued)

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

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

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

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

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

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

(iii) Cost	Valuation Technique	Basis of Valuation	Inputs Used
Furniture and equipment	Cost	Cost	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.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Footpaths and Cycleways	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Other infrastructure - Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	31,616,403	1,988,254	6,115,557	5,717,629	3,486,730	107,375	0	49,031,948
Additions	252,255	0	255,057	170,316	0	0	0	677,628
Revaluation increments / (decrements) transferred to revaluation surplus	(8,633,617)	2,283,408	(2,053,127)	(262,876)	(1,152,640)	116,450	0	(9,702,402)
Assets expensed to Profit & Loss			(33,201)					(33,201)
Depreciation	9(a) (593,767)	(41,228)	(218,974)	(98,327)	(33,654)	(4,278)	0	(990,228)
Transfers			(61,918)					(61,918)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	0	38,921,827
Comprises:								
Gross balance at 30 June 2021	22,641,274	4,230,434	4,101,110	5,526,742	2,300,436	219,547	0	39,019,543
Accumulated depreciation at 30 June 2021	0	0	(97,716)	0	0	0	0	(97,716)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	0	38,921,827
Additions	0	223,808	204,475	184,619	29,500	0	15,000	657,402
Depreciation	9(a) (314,829)	(53,562)	(117,119)	(86,622)	(28,055)	(8,299)	0	(608,486)
Balance at 30 June 2022	22,326,445	4,400,680	4,090,750	5,624,739	2,301,881	211,248	15,000	38,970,743
Comprises:								
Gross balance at 30 June 2022	22,641,274	4,454,242	4,305,585	5,711,361	2,329,936	219,547	15,000	39,676,945
Accumulated depreciation at 30 June 2022	(314,829)	(53,562)	(214,835)	(86,622)	(28,055)	(8,299)	0	(706,202)
Balance at 30 June 2022	22,326,445	4,400,680	4,090,750	5,624,739	2,301,881	211,248	15,000	38,970,743

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. FIXED ASSETS**(a) Depreciation**

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

Depreciation rates

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Parks and Ovals	0	0	0	0	0	0	0	0	33,201	0	0	(33,201)
Furniture and equipment	0	0	0	0	0	0	0	0	8,506	0	0	(8,506)
Plant and equipment	38,875	66,788	32,651	(4,738)	91,720	240,660	148,940	0	56,645	18,855	1,430	(39,220)
	38,875	66,788	32,651	(4,738)	91,720	240,660	148,940	0	98,352	18,855	1,430	(80,927)

The following assets were disposed of during the year.

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. LEASES**(a) Right-of-Use Assets**

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

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

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

(b) Lease Liabilities

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

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES**Leases**

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

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

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

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

Right-of-use assets - valuation measurement

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

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. LEASES (Continued)

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

The Town as Lessor

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

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

11. TRADE AND OTHER PAYABLES

Current

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

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

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

12. OTHER LIABILITIES

Current

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

	2022 \$	2021 \$
Contract Liabilities - Unspent operating grants	71,910	57,589
Contract Liabilities - Accrued Income	0	11,309
Capital grant/contributions liabilities	1,729,706	259,255
	<u>1,801,616</u>	<u>328,153</u>

Reconciliation of changes in contract liabilities

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

Opening balance	68,898	0
Additions	39,430	68,898
Revenue from contract liabilities at the start of the period	(36,418)	0
	<u>71,910</u>	<u>68,898</u>

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

Reconciliation of changes in capital grant/contribution liabilities

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

Opening balance	259,255	0
Additions	1,698,229	259,255
Revenue from capital grant/contributions held as a liability at the start of the period	(227,778)	0
	<u>1,729,706</u>	<u>259,255</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

Less than 1 year	1,729,706	259,255
------------------	-----------	---------

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. BORROWINGS

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

Secured liabilities and assets pledged as security

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

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave
Long Service Leave
Other employee provisions

Non-current provisions

Long Service Leave

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

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	3,840,900	1,268,100	0	1,268,100	5,109,000	3,840,900	0	0	0	3,840,900
Revaluation surplus - Buildings - non-specialised - level 2	0	17,223	0	17,223	17,223	0	0	0	0	0
Revaluation surplus - Buildings - specialised	11,158,410	0	0	0	11,158,410	11,158,410	0	0	0	11,158,410
Revaluation surplus - Buildings - non-specialised - Level 3	585,380	0	0	0	585,380	585,380	0	0	0	585,380
Revaluation surplus - Plant and equipment	469,638	0	0	0	469,638	469,638	0	0	0	469,638
Revaluation surplus - Infrastructure - roads	15,205,424	0	0	0	15,205,424	23,839,041	0	(8,633,617)	(8,633,617)	15,205,424
Revaluation surplus - Infrastructure - Drainage	3,341,189	0	0	0	3,341,189	1,057,781	2,283,408	0	2,283,408	3,341,189
Revaluation surplus - Infrastructure - Parks and Ovals	1,799,044	0	0	0	1,799,044	3,852,171	0	(2,053,127)	(2,053,127)	1,799,044
Revaluation surplus - Infrastructure - Footpaths and Cyclewa	2,331,013	0	0	0	2,331,013	2,593,889	0	(262,876)	(262,876)	2,331,013
Revaluation surplus - Infrastructure - Car Parks	216,407	0	0	0	216,407	1,369,047	0	(1,152,640)	(1,152,640)	216,407
Revaluation surplus - Infrastructure - Bus Shelters	116,450	0	0	0	116,450	0	116,450	0	116,450	116,450
Revaluation surplus - Share of other comprehensive income of investment in associate	479,167	0	0	0	479,167	468,699	10,468	0	10,468	479,167
	39,543,022	1,285,323	0	1,285,323	40,828,345	49,234,956	2,410,326	(12,102,260)	(9,691,934)	39,543,022

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

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

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

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

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

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

Loan facilities

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

Unused loan facilities at balance date

0

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

17. CONTINGENT LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Bank Guarantee

The Town has provided a bank guarantee in favour of the Department of Parks and Wildlife for the amount of \$41,676. The bank guarantee has been issued in accordance with the requirements of the Riverbed lease for the boat pens in the Swan River, East Fremantle.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

17. CONTINGENT LIABILITIES (continued)

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

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

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

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

The Town has been advised:

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

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

18. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects (Infrastructure)	0	37,478
- capital expenditure projects (Plant & Equipment)	1,662,437	63,531
- contract liabilities for capital works	1,698,229	259,255
	<u>3,360,666</u>	<u>360,264</u>

Payable:		
- not later than one year	3,360,666	360,264

Capital expenditure projects with committed expenditure outstanding at the end of the current reporting period are:

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

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

Contract liabilities for capital works:	
John Tonkin Foreshore Stabilisation - Riverbank Funding	75,000
East Fremantle Oval Redevelopment Project - DLGSC	1,571,229
Nature Playground - DLGSC	52,000

(b) Operating Expenditure Commitments

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

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY TRANSACTIONS

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY TRANSACTIONS**(b) Key Management Personnel (KMP) Compensation**

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

(c) Transactions with related parties

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

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

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

(d) Related Parties

The Town's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Town

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. INVESTMENT IN ASSOCIATES

(a) Investment in associate

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

Name of entity	% of ownership interest		2022	2021
	2022	2021	Actual	Actual
			\$	\$
Southern Metropolitan Regional Council (SMRC) - Existing Undertakings Proportional Equity Share	5.37%	4.38%		
Southern Metropolitan Regional Council (SMRC) - Office Accommodation Project Proportional Equity Share	5.43%	4.36%		
Southern Metropolitan Regional Council (SMRC) - RRRRC Project Proportional Equity Share	5.36%	5.35%		
Southern Metropolitan Regional Council (SMRC) - Consolidated			1,382,443	1,429,853
Total equity-accounted investments			1,382,443	1,429,853

(b) Share of Investment in SMRC

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

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

According to clause 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 SMRC require a simple majority, with the exception of decisions requiring an absolute majority in accordance with the *Local Government Act 1995* and the decision to consider a project proposal.

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

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

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

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

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

(a) Existing Undertakings

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

The Town's share as at 30 June 2022:

SMRC Existing Undertakings Proportional Equity Share 5.37%

(b) Regional Resource Recovery Centre (RRRC) Project

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

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

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

The Town's share as at 30 June 2022:

RRRC Project Proportional Equity Share 5.36%

RRRC - Lending Facility

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

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

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

As at 30 June 2022, the balance outstanding against the lending facility stood at:
with the Town's share of this liability being:

\$3,230,389
\$98,204
3.04%

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. INVESTMENT IN ASSOCIATES (Continued)

(b) Share of Investment in SMRC (Continued)

(c) Office Accommodation Project

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

The Town's share as at 30 June 2022:

Office Accommodation Project Proportional Equity Share 5.43%

Office Accommodation - Lending facility

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

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

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

	2022 Actual \$	2021 Audited*	2021 Unaudited** \$
Summarised statement of comprehensive income (SMRC)			
Revenue	17,412,446	33,576,555	
Interest income	20,805	37,894	
Interest expense	(543,876)	(702,177)	
Depreciation	(4,258,623)	(3,862,654)	
Profit/(loss) from continuing operations	(3,743,717)	3,601,738	
Profit/(loss) for the period	(3,743,717)	3,601,738	
Other comprehensive income	758,174	240,092	
Total comprehensive income for the period	(2,985,543)	3,841,830	
Summarised statement of financial position (SMRC)			
Current Assets	18,601,201	21,796,742	21,290,734
Non-current assets	32,224,485	38,176,952	36,487,183
Total assets	50,825,686	59,973,694	57,777,917
Current liabilities	6,310,750	8,789,409	8,283,402
Total non-current liabilities	11,236,836	14,934,142	14,934,143
Total liabilities	17,547,586	23,723,551	23,217,545
Net assets (SMRC)	33,278,100	36,250,143	34,560,372
Reconciliation to carrying amounts (SMRC)			
Opening net assets 1 July	36,250,143	32,408,313	32,408,313
Profit/(Loss) for the period	(3,743,717)	3,601,738	1,911,967
Other comprehensive income	758,174	240,092	240,092
Correction of Error 2020-21	13,500	0	0
Closing net assets 1 July	33,278,100	36,250,143	34,560,372
Carrying amount at 1 July (ToEF Investment in Associate)			
	1,429,853	1,094,618	1,094,618
- Share of associates net profit/(loss) for the period	(103,279)	264,988	249,837
- Change to Accounting Estimate from Prior Year	15,151	74,930	74,930
- Share of associates other comprehensive income arising during the period	40,718	10,468	10,468
Carrying amount at 30 June (Refer to Note 20.(a))	1,382,443	1,445,004	1,429,853

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

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

Sensitivity

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

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

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

The Town applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	Total	Note
30 June 2022				
Rates receivable				
Expected credit loss	0.00%	0.00%		
Gross carrying amount	0	76,390	76,390	
Loss allowance	0	0	0	5
30 June 2021				
Rates receivable				
Expected credit loss	0.00%	0.00%		
Gross carrying amount	0	162,223	162,223	
Loss allowance	0	0	0	5

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

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

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

(c) Fair Value of Financial Assets and Liabilities

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

Fair value is determined as follows:

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

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

The Town held the following financial instruments at balance date:

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Town manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

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

Grants, subsidies and contributions

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

Total Income

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

Expenses

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

Net result for the period

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges			
General purpose funding	60,632	95,000	84,663
Governance	1,382	0	130
Law, order, public safety	29,268	27,000	30,691
Health	19,321	21,900	17,847
Education and welfare	136,835	167,370	152,234
Housing	88,359	77,000	82,249
Community amenities	200,468	186,000	207,867
Recreation and culture	278,163	261,310	275,215
Transport	356,027	325,000	316,922
Economic services	143,198	126,800	120,805
Other property and services	68,385	41,250	44,518
	<u>1,382,038</u>	<u>1,328,630</u>	<u>1,333,141</u>

	2022	2021
	\$	\$
(d) Total Assets		
Governance	11,277,049	10,876,360
General purpose funding	4,735,822	2,961,841
Law, order, public safety	25,399	38,261
Health	182,968	193,786
Education and welfare	2,272,292	2,137,869
Housing	197,143	213,571
Community amenities	1,992,730	2,107,935
Recreation and culture	21,832,642	21,464,434
Transport	36,327,245	35,180,555
Economic services	95,290	35,821
Other property and services	2,496,398	1,971,281
	<u>81,434,978</u>	<u>77,181,714</u>

TOWN OF EAST FREMANTLE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.076377	2,969	86,471,538	6,573,973	20,736	1,111	6,595,820	6,570,499	20,000	0	6,590,499	6,363,366
Commercial	Gross rental valuation	0.113749	114	11,541,770	1,312,822	621	0	1,313,443	1,304,450	0	0	1,304,450	1,279,790
Sub-Total			3,083	98,013,308	7,886,795	21,357	1,111	7,909,263	7,874,949	20,000	0	7,894,949	7,643,156
Minimum payment													
		\$											
Residential	Gross rental valuation	1,138	329	4,219,274	374,402	0	0	374,402	375,540	0	0	375,540	368,911
Commercial	Gross rental valuation	1,702	11	117,220	18,722	0	0	18,722	18,722	0	0	18,722	19,342
Sub-Total			340	4,336,494	393,124	0	0	393,124	394,262	0	0	394,262	388,253
			3,423	102,349,802	8,279,919	21,357	1,111	8,302,387	8,269,211	20,000	0	8,289,211	8,031,409
Concessions on general rates (Refer note 25(b))								0				0	(43,055)
Total amount raised from general rates								8,302,387				8,289,211	7,988,354
* Rateable value is based on the value of properties at the time the rate is raised.													
Total Rates								8,302,387				8,289,211	7,988,354

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
GRV Commercial - Sporting Clubs	Rate	Concession	25.00%		0	0	43,055
					0	0	43,055
Total discounts/concessions (Note 25)					0	0	43,055

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects and reasons of the Waiver or Concession
GRV Commercial - Sporting Clubs	Where properties are categorised as 'Sporting Clubs - Commercial'	Due to the economic impact arising from social distancing, and the cessation of club activities, the Town provided rate relief for the 2020/21 financial year in accordance with the Rates Concession Policy.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	23/08/2021	0.0	0.00%	7.00%
Option Two				
First instalment	23/08/2021	0.0	0.00%	7.00%
Second instalment	3/01/2022	16.5	5.50%	7.00%
Option Three				
First instalment	23/08/2021	0.0	0.00%	7.00%
Second instalment	25/10/2021	16.5	5.50%	7.00%
Third instalment	3/01/2022	16.5	5.50%	7.00%
Fourth instalment	28/02/2022	16.5	5.50%	7.00%
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Interest on unpaid rates		17,523	35,000	37,046
Interest on instalment plan		34,621	40,000	0**
Charges on instalment plan		37,125	40,000	37,670
		89,268	115,000	74,716

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. RATE SETTING STATEMENT INFORMATION

Note	2021/22	2021/22	2021/22	2020/21
	(30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b)	(32,651)	(148,940)	(1,430)
Less: Population adjustment to SMRC Loan Balance		21,549	0	(2,522)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,997)	0	(2,586)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		47,410	0	(324,767)
Add: Loss on disposal of assets	9(b)	4,738	0	80,927
Add: Depreciation	9(a)	2,071,668	2,571,177	2,513,795
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(20,339)	0	6,315
Assets held for sale (Impairment Fair Value less Costs to Sell)		27,329	0	0
Employee benefit provisions		(11,915)	0	(3,990)
Non-current receivables		(10,923)	0	3,000
Non-cash amounts excluded from operating activities		2,092,869	2,422,237	2,268,742
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(2,484,209)	(1,870,090)	(985,793)
Less: Restricted cash - contract liabilities		0	0	(316,844)
Less: Assets Held for Sale	6	(1,442,619)	0	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	98,204	95,160	104,343
- Current portion of contract liability		0	0	0
- Current portion of lease liabilities	10(b)	38,617	45,000	37,499
Total adjustments to net current assets		(3,790,007)	(1,729,930)	(843,951)
Net current assets used in the Rate Setting Statement				
Total current assets		8,814,784	4,649,495	4,067,675
Less: Total current liabilities		(4,511,956)	(2,919,565)	(2,330,631)
Less: Total adjustments to net current assets		(3,790,007)	(1,729,930)	(843,951)
Net current assets used in the Rate Setting Statement		512,821	0	893,093

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget					
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Population Adjustment to Loan Principal	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Population Adjustment to Loan Principal	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
SMRC - Regional Resource Recovery Centre Loan		\$ 305,779	\$ 0	\$ (100,821)	(1,442)	\$ 203,516	\$ 0	\$ (103,104)	(2,208)	\$ 98,204	\$ 313,145	\$ 0	\$ (95,160)	\$ 217,985
SMRC - Administration Building (9 Aldous Place, Booragoon) Loan		\$ 76,860	\$ 0	\$ 0	(1,080)	\$ 75,780	\$ 0	\$ 0	23,757	\$ 99,537	\$ 48,240	\$ 0	\$ 48,240	
East Fremantle Oval Redevelopment		\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 5,000,000	\$ 0	\$ 5,000,000	
Total Borrowings	13	\$ 382,639	\$ 0	\$ (100,821)	(2,522)	\$ 279,296	\$ 0	\$ (103,104)	21,549	\$ 197,741	\$ 361,385	\$ 5,000,000	\$ (95,160)	\$ 5,266,225

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

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

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
SMRC - Regional Resource Recovery Centre Loan		Community amenities	Various	WATC	Various	\$ (7,146)	\$ (14,500)	\$ (11,172)
SMRC - Administration Building (9 Aldous Place, Booragoon) Loan		Community amenities	2-7	WATC	0.35%	\$ 0	\$ 0	\$ 0
East Fremantle Oval Redevelopment		Recreation and culture				\$ 0	\$ 0	\$ 0
Total Interest Repayments	2(b)					\$ (7,146)	\$ (14,500)	\$ (11,172)

(b) New Borrowings - 2021/22

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

(c) Unspent Borrowings

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

(d) Lease Liabilities

Purpose	Note	Actual						Budget			
		Principal at 1 July 2020	Principal Repayments During 2020-21	CPI Adjustment	Principal at 30 June 2021	CPI Adjustment 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	Principal Repayments During 2021-22	Principal at 30 June 2022
River seabed (mooring pens)		\$ 322,923	\$ (29,367)	(2,292)	\$ 291,264	1,091	\$ (37,551)	\$ 254,804	\$ 277,923	\$ (45,000)	\$ 232,923
Total Lease Liabilities	10(b)	\$ 322,923	\$ (29,367)	(2,292)	\$ 291,264	1,091	\$ (37,551)	\$ 254,804	\$ 277,923	\$ (45,000)	\$ 232,923

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term (months)
River seabed (mooring pens)		Recreation and culture	N/A	Dep. Transport	2.60%	\$ (7,074)	\$ (8,000)	\$ (7,978)	98
Total Interest Repayments	2(b)					\$ (7,074)	\$ (8,000)	\$ (7,978)	

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

28. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Restricted by legislation/agreement</i>												
(a) Non Current Leave Entitlements Reserve	10,000	0	(10,000)	0	10,000	0	(10,000)	0	10,000	0	0	10,000
(b) Unspent Grants and Restricted Cash Reserve	0	0	0	0	22,186	0	(22,186)	0	0	0	0	0
(c) Vehicle, Plant and Equipment Reserve	84,127	0	(33,720)	50,407	84,127	0	(84,127)	0	91,627	0	(7,500)	84,127
(d) Aged Services Reserve	11,803	0	0	11,803	11,803	0	(11,803)	0	176,803	0	(165,000)	11,803
(e) Strategic Asset Management Reserve	7,542	57,378	0	64,920	7,542	57,378	0	64,920	491,049	3,645	(487,152)	7,542
(f) Arts and Sculpture Reserve	156,772	0	0	156,772	156,772	45,000	(70,000)	131,772	171,772	0	(15,000)	156,772
(g) Waste Reserve	0	0	0	0	0	1,042,250	(1,042,250)	0	0	0	0	0
(h) Committed Works Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(h) Streetscape Reserve	75,000	0	0	75,000	75,000	0	0	75,000	50,000	25,000	0	75,000
(i) Drainage Reserve	150,000	100,000	0	250,000	150,000	100,000	0	250,000	0	150,000	0	150,000
(j) East Fremantle Oval Redevelopment Reserve	298,228	777,942	0	1,076,170	298,228	400,502	0	698,730	0	298,228	0	298,228
(k) Preston Point Facilities Reserve	35,821	59,469	0	95,290	35,821	100,000	0	135,821	0	100,000	(64,179)	35,821
(l) Foreshore Master Plan Reserve	0	270,000	0	270,000	0	100,000	0	100,000	0	0	0	0
(m) Sustainability and Environmental Reserve	90,000	120,337	0	210,337	90,000	120,337	0	210,337	0	90,000	0	90,000
(n) Town Planning Reserve	50,000	20,000	0	70,000	50,000	0	0	50,000	0	50,000	0	50,000
(o) Business Improvement Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(o) Old Police Station Reserve	16,500	0	0	16,500	16,500	24,000	(24,000)	16,500	0	24,000	(7,500)	16,500
(p) Payment in Lieu of Parking Reserve	0	137,010	0	137,010	0	137,010	0	137,010	0	0	0	0
(q) Payment in Lieu of Public Open Space Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	985,793	1,542,136	(43,720)	2,484,209	1,007,979	2,126,477	(1,264,366)	1,870,090	991,251	740,873	(746,331)	985,793
	985,793	1,542,136	(43,720)	2,484,209	1,007,979	2,126,477	(1,264,366)	1,870,090	991,251	740,873	(746,331)	985,793

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

29. TRUST FUNDS

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

30. MAJOR LAND TRANSACTIONS

(a) Details

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

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

Project Summary:

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

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

(b) Current year transactions

Revenue

- Non-Operating Grant
- Borrowings

Expenditure

- Professional Services/Cost Plan

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

30. MAJOR LAND TRANSACTIONS**(c) Expected future cash flows**

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

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

Expected financial contribution from the Town for the first 10 years

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

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

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Town of East Fremantle

To the Councillors of the Town of East Fremantle

Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Town is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Town's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Town.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



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

10.2 FINANCIAL MANAGEMENT REVIEW AND AUDIT REG 17 REVIEW

Report Reference Number	ACR-408
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting date	Wednesday, 1 March 2023
Voting requirements	Simple

Documents tabled**Attachments**

1. Consolidated Report – Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls
2. **Improvements Register (Confidential)**

PURPOSE

The Audit Committee is requested to receive the Review of the Town's Financial Management, Risk Management, Legislative Compliance and Internal Controls, and note the Improvement Register, which will be incorporated with the standing Status Report.

EXECUTIVE SUMMARY

In order to meet the requirements under Regulation 5 (2)(c) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17 of the *Local Government (Audit) Regulations 1996*, an independent consolidated report has been prepared by Moore Stephens following a review undertaken during November and December 2022 of the Town's financial management, risk management, legislative compliance, and internal control systems.

BACKGROUND

The objective and scope of the review is as follows:

Financial Management Review

Once every three (3) years the Chief Executive Officer is required to review the appropriateness and effectiveness of the financial management systems and procedures, as required by Financial Management Regulation 5 (2)(c). The review covers the systems and procedures established by the Town in performing the duties defined by Financial Management Regulation 5 (1), including, but not limited to the following:

- Collection of money owed;
- Custody and security of money held;
- Maintenance and security of financial records;
- Accounting for revenue and expenses;
- Accounting for assets and liabilities;
- Accounting for trust transactions;
- Authorisation of purchases;
- Authorisation of payments;
- Maintenance and processing of payroll;
- Stock control and costing records;
- Preparation of budgets and budget reviews; and
- Preparation of financial reports.

Systems and Procedures Review

Likewise, at least once every three (3) years the Chief Executive Officer is required to report on the appropriateness and effectiveness of the Town's risk management, internal controls and legislative compliance systems and procedures, every three years, as required by Audit Regulation 17. The results of the review are to be reported by the CEO to the Audit Committee. The Audit Committee is required to review the CEO's report and then report to the Council. The report from the Audit Committee to the Council is required to have attached a copy of the CEO's report to the Audit Committee.

To ensure independence of process, Moore Australia were engaged to undertake the review involving the following methodology:

- Conduct onsite interviews with key personnel involved in risk management, financial management and ensuring the Town's adherence to legislative compliance;
- Identify the extent of commitment and mandate to Risk Management principles (using AS/NZS ISO 31000:2018 as the framework) within the overall risk management framework;
- Review each component (risk management, legislative compliance and internal controls) after considering the overall risk environment, governance structure and internal control environment;
- Assess the gaps (if any) between the current processes and the expected risk management, internal controls and legislative compliance systems and procedures and recommend suggested improvements; and
- Report on the appropriateness and the effectiveness of current systems and procedures.

CONSULTATION

Chief Executive Officer

Moore Australia

ELT Workshop 14th February 2023

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Audit) Regulations 1996 Regulation 17

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

F8.7 Significant Accounting Policies

FINANCIAL IMPLICATIONS

The cost of the engagement with Moore Stephens was \$22,500 (GST ex).

STRATEGIC IMPLICATIONS

Strategic Priority 5 – Leadership and Governance

5.1 Strengthen organisational accountability and transparency.

5.3 Strive for excellence in leadership and governance.

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That key findings from the FMR/Reg 17 Review are not actioned	Possible (3)	Moderate (3)	Moderate (5-9)	Compliance	Control through oversight by the Audit Committee and ensuring adequate budget allocation for resourcing

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
	Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	9
Does this item need to be added to the Town's Risk Register	Yes
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable.

COMMENT

An Improvement Register detailing 17 findings has been prepared and is appended to this report. This register also includes a risk rating and proposed mitigation and management strategies. This register will be presented to the Audit Committee as a standing item.

CONCLUSION

Representatives from Moore Australia will be attending the Audit Committee Meeting to present the Report. Should Committee Members wish to query specific findings, they are encouraged to ask questions at the meeting.

10.2 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 020103

OFFICER RECOMMENDATION

Moved Cr McPhail, seconded Cr Donovan

That the Audit Committee recommend Council:

- 1. receive the consolidated report from the Chief Executive Officer on the appropriateness and effectiveness of the Town's financial managements systems, risk management, internal controls and legislative compliance systems and procedures as required by Regulation 5 (2)(c) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17 of the *Local Government (Audit) Regulations 1996*.**
- 2. recommend that the review be presented to Council, and that the Improvement Register be incorporated into a Status Report for ongoing review and monitoring.**

(CARRIED UNANIMOUSLY)

NB: Russell Barnes and Tanya Browning, Moore Australia provided a presentation on their review of the Town's Financial Management, Risk Management, Legislative Compliance and Internal Controls and discussed the findings with Elected Members.

Moore Australia and Elected Members thanked staff for their assistance during the Audit Review and congratulated staff for the work undertaken since the 2019 Review.

REPORT ATTACHMENTS

Attachments start on the next page



Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls

Town of East Fremantle

January 2023



www.moore-australia.com.au

Table of Contents

1.0	Engagement Overview.....	3
2.0	Review Context.....	5
3.0	Review Summary.....	6
4.0	Methodology.....	11
5.0	Appropriate Framework.....	13
6.0	Framework Design.....	14
7.0	Framework Implementation.....	17
8.0	Framework Evaluation.....	23
9.0	Other Matters.....	28
	Appendix A – Financial Management Systems Review.....	29
	Appendix B – Council Policies Examined.....	31
	Appendix C – Plans Examined.....	34
	Appendix D – Strategic and Operational Registers Examined.....	35
	Appendix E – Operational Guidelines.....	36
	Appendix F – Improvements Identified.....	39

1.0 Engagement Overview

1.1 Scope of Services

The Town of East Fremantle (Town) engaged Moore Australia to undertake a review service with a dual purpose, firstly to provide the basis for a report by the CEO to the Audit Committee on the appropriateness and effectiveness of the Town's risk management, internal controls and legislative compliance systems and procedures as required by the *Local Government (Audit) Regulations 1996* Regulation 17. Secondly, a review of financial management systems to assess the appropriateness and effectiveness of these systems and procedures, as required by *Local Government (Financial Management) Regulations 1996* Regulation 5(2)(c).

For efficiency, the reviews were undertaken simultaneously (onsite component undertaken in November 2022), and the results contained in this single report. Financial management systems and procedures are considered a subset of broader overall risk management, legislative compliance and internal controls. The matters examined in respect of financial management systems are detailed in Appendix A. Where opportunities for improvement were identified, they are reported within the relevant section of the risk management, legislative compliance and internal controls framework design, implementation and evaluation sections of this report.

The results of the risk management, legislative compliance and internal controls review are to be reported by the CEO to the Audit Committee. The Audit Committee is required to review the CEO's report and on-report to Council. The report from the Audit Committee to Council is required to have attached a copy of the CEO's initial report to the Audit Committee.

1.1.1 Procedures – Financial Management Review

Our procedures for the Financial Management Review encompassed a review of the Town's financial systems including, but not necessarily limited to:

- Collection of money owed;
- Custody and security of money and investments held;
- Rates;
- Maintenance and security of financial records;
- Accounting and controls for revenue and expenses;
- Accounting and controls for assets and liabilities;
- Accounting and controls for trust transactions;
- Authorisation of purchases;
- Authorisation of payments;
- Borrowings;
- Maintenance and processing of payroll;
- Stock controls and costing records;
- Record keeping for financial records;
- Preparation of budgets and budget reviews; and
- Preparation of financial reports.

Our procedures and approach have been developed over a number of years taking into account our extensive local government background and seeks to examine both financial systems and procedures in use.

The financial management review does not examine systems and procedures which are non-financial in nature and did not specifically test for legislative breaches. These were examined as part of the risk management, legislative compliance and internal control review.

1.0 Engagement Overview

1.1.2 Procedures – Risk Management, Legislative Compliance and Internal Controls Review

Our procedures for the systems and procedures review, as required by regulation 17 of the *Local Government (Audit) Regulations 1996*, on behalf of the CEO encompassed the following services:

- A review of the risk management systems policies, procedures and plans in place at the Town;
- Evaluate the non-financial/operational internal control systems and procedures at the Town;
- Assess systems and procedures for maintaining legislative compliance; and
- Prepare a report of matters identified during the review to assist the CEO assess the appropriateness and effectiveness of the relevant systems and procedures in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.

To undertake these procedures, we applied the following methodology:

- Conduct interviews with key personnel involved in risk management, financial management and the Town's adherence to legislative requirements;
- Identify the extent of commitment and mandate to risk management principles, using AS/NZS ISO 31000:2018 as the framework, within the overall risk management framework;
- Review each component of risk management, legislative compliance and internal controls after considering the overall risk environment, governance structure and internal control environment;
- Assess the gaps, if any, between the current processes and the expected risk management, internal controls and legislative compliance systems and procedures and recommend suggested improvements; and
- Report on the appropriateness and the effectiveness of current systems and procedures.

The review was a high-level review given the scale, variety and breadth of non-financial activities and considered, as a minimum, the issues identified by the Department of Local Government, Sport and Cultural Industries to Local Government Operational Guideline Number 09 – Audit in Local Government (listed in Appendix E).

2.0 Review Context

2.1 Review Context - Town of East Fremantle

Understanding the external and internal context in which the Town operates, relevant to financial management, risk, the internal control environment and its legislative compliance obligations, as it seeks to achieve its overall strategic objectives is important to the review of the related systems and procedures.

The external and internal environmental influences identified during the review are set out below:

External Influences	Internal Influences
Increasing community expectations in relation to service levels and delivery.	The objectives and strategies contained in the current Strategic Community Plan.
Rapid changes in information technology, changing the service delivery environment.	The timing and actions contained in the current Corporate Business Plan.
Increased compliance requirements due to government policy and legislation.	Organisational size, structure, activities and location.
Cost shifting by the Federal and State governments.	Human resourcing levels and staff retention.
Climate change and subsequent response.	The financial capacity of the Town.
Increasing risk of cyber attack resulting in compromised or lost data.	Maintenance of corporate records.
Increasing aging population locally.	Allocation of resources to achieve strategic outcomes.
COVID 19 and impact on the external environment	COVID 19 and impact on the internal environment.
Changing global economic environment.	

3.0 Review Summary

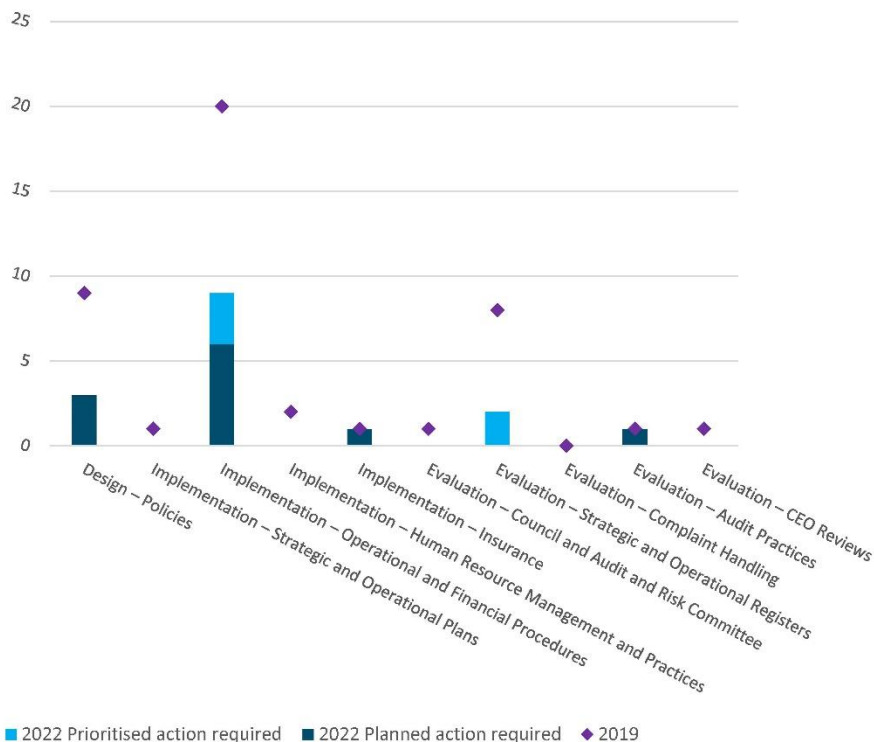
3.1 Overall

Operations of a metropolitan local government are complex and involve a number of people making decisions across a variety of areas of operations. The Town of East Fremantle is highly reliant on a small team of senior decision makers to govern its operations. Senior management have invested significant effort implementing sound financial and risk management through internal controls and aiming to achieve a high level of compliance. The results of these efforts were highlighted through the reduction of the number of areas for improvement (over 60% less) noted since the last review. The maintenance of continued and sustained efforts toward high levels of compliance and effective controls is to be commended and encouraged into the future.

This review was undertaken by first determining an appropriate framework for the Town against which current policies, procedures and actions could be assessed, this is described further in Section 5.0. A number of areas for improvement were identified during the review. As the Town has limited resources, the areas identified for improvement have been split between those requiring prioritised action and those requiring planned action as it will require resources and time to address a number of the matters raised.

The chart below reflects the number of improvements identified within each area of the framework examined.

No. of identified improvements required by framework element



Details of each improvement identified under each framework element are provided in Sections 6.0 through 8.0 of this report. Key improvements are provided under each of the review areas, financial management, risk management, internal control and legislative compliance on the following pages.

A summary of improvements listed by prioritised and planned action is provided at Appendix F.

3.0 Review Summary

3.2 Financial Management

The Town has a number of financial management system controls to cover the wide variety of operations undertaken. Council has responsibility for the adoption of the annual budget and annual report, review of the monthly statement of financial activity and review of the monthly list of payments. Responsibility for the financial management of the Town rests with the CEO, as detailed under regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*.

Through our examination of financial management system controls during our review, we noted ongoing, routine monitoring and evaluation by management which included the introduction of improvements to a number of processes. The continuation of these efforts to date are commended, and strongly encouraged to be maintained.

3.2.1 Appropriateness

Considering the size, resources, variety of operations and the context in which the Town operates, documented internal control procedures relating to financial management systems, are considered largely appropriate as a means of maintaining a high level of control over the financial management of the Town. Our assessment as to the appropriateness is subject to identified weaknesses being addressed, and provided internal control procedures are routinely and consistently applied.

Some weaknesses were identified with current controls and procedures, these are explained within Section 6.0 Framework Design and 7.0 Framework Implementation of this report.

3.2.2 Effectiveness

Considering the results of other elements of financial management systems and processes where documented and routinely tested, the current practices undertaken by the Town may be considered generally effective. Our assessment as to effectiveness is subject to the implementation of the improvements highlighted within this report.

Whilst generally considered effective, weaknesses were identified where internal controls are not considered effective. These are explained within Section 7.0 Framework Implementation of this report.

3.2.3 Improvements

Details of recommended improvements to the current financial management, procedures and systems for the Town are set out within the framework design and implementation sections of this report. Key operational areas where opportunities for improvements to the appropriateness and effectiveness of these procedures and internal controls were identified are:

- Petty cash controls;
- Procurement controls; and
- Credit card controls.

3.0 Review Summary

3.3 Risk Management

Risk management activities in local government should aim to facilitate an integrated and organisation wide approach to risk management practices. These activities would generally include routine and consistent consideration of risks (existing, new and emerging), as well as mitigations available to minimise risk levels, from both a 'top down' perspective as well as 'bottom up' perspective. These activities should be consistently applied through operational systems, processes and controls.

The Town has developed its formal risk management processes with the adoption of an updated Risk Management Policy. This policy was last reviewed in December 2020. The Policy refers to the latest Risk Management Standard ISO 31000:2018. The policy document and supporting risk management procedures forms the basis for risk management activities within the Town.

Development and application of risk management systems and processes, including routine reporting to the Audit and Risk Committee, were noted to have been recently implemented, with further improvements currently being progressed. Management efforts to implement improved risk management practices are commended.

3.3.1 Appropriateness

Currently, a documented entity wide Risk Management Policy is in existence to guide the implementation of risk management throughout the Town.

Considering the size, resources, operations and the context in which the Town operates, a documented risk management policy and procedures aligned to ISO 31000:2018 is considered appropriate as a means of uniformly supporting decision making and documenting the organisation's response to risks.

3.3.2 Effectiveness

The current risk management policy reflects the Town's commitment to organisation wide risk management principles, systems and processes aimed at optimising the achievement of objectives, embedding controls to mitigate risk, improving corporate governance and planning for continuity of critical operations.

While further development and application of risk management systems and processes are encouraged to be implemented throughout the organisation in order for risk management processes and procedures to be considered effective, the improvements since the previous review has positively contributed to the progression of effective risk management practices.

3.3.3 Improvements

Improvements to risk management practices and policies are detailed within the framework design and implementation sections of this report, with key matters summarised as follows:

- Align risk management activities and practices throughout the organisation and apply these consistently in accordance with the Town's policy;
- Review contractor insurance to ensure contractors have appropriate insurance;
- Review Purchasing Policy 2.1.3 to ensure it reflects the purchasing objectives and risks of the Town;
- Develop and apply risk management activities to existing practices in accordance with adopted risk management framework; and
- Ensure appropriate management of operational risks for identified high risk areas.

3.0 Review Summary

3.4 Internal Control

The principles of internal controls are not limited to administrative and financial control activities as they extend to all facets of operations. While the CEO is generally responsible for developing and maintaining internal control frameworks, all levels of the organisation should be accountable for the documentation and implementation of systems, controls, processes and procedures in their own area of responsibility. They all perform a function in the internal control framework.

Internal controls are of critical importance to operations and should provide for appropriate segregation of duties, experienced and qualified staff, risk management, documented procedures and effective monitoring and adherence. However inherent limitations will always be present in internal control frameworks.

Mechanisms whereby routine review and regular updates occur may assist to ensure control environments are suitably maintained.

An internal control policy was initially adopted by the Town in November 2018, in the form of Policy 2.2.5 Internal Audit Charter, aimed at providing a mechanism where regular reviews and updates may occur in relation to internal control functions. We observed during our review a number of improvements where internal controls have recently been, or are currently, being developed. These have the objective of improving the existing framework and reducing gaps where weaknesses have been identified.

3.4.1 Appropriateness

Considering the size, resources, operations and the internal/external context in which the Town operates, the internal control framework, procedures and systems as described to us are considered appropriate for most areas of operations, subject to the identified improvements being in place. Some internal controls were identified where these controls may be improved, as described within section 7.0 Framework Implementation of this report.

3.4.2 Effectiveness

Considering the overall results of monitoring and compliance practices undertaken by the Town, the current internal control framework, procedures and systems (where documented and routinely tested) may be considered effective. Our assessment as to effectiveness is subject to the implementation of the improvements detailed at Section 7.0 Framework Implementation of this report.

3.4.3 Improvements

Recommended improvements to the current internal control framework, procedures and systems are detailed later within the framework design and implementation sections of this report with selected key improvements to internal controls summarised as follows:

- Update existing policy 2.2.5 Internal Audit Charter to align with the current risk management standard ISO 31000:2018 to assist with promoting a risk based approach to the further development and maintenance of documented internal controls and procedures. Continual risk based assessment of appropriate controls throughout the organisation will assist to identify the need for new controls and identify existing outdated and unnecessary controls to be discontinued;
- Key internal controls should be documented either as procedures, checklists or workflow diagrams;
- Update and maintain registers to improve existing internal controls as discussed at Section 8.2 of this report; and
- Implement financial management control recommendations discussed at Section 3.1 of this report.

3.0 Review Summary

3.5 Legislative Compliance

General principles of good governance often refer to the application of appropriate policies and procedures to assist with ensuring appropriate measures are in place to uphold high levels of legislative compliance. The resources allocated to these structures will vary according to the context of individual local government operations. Formalised processes are designed to provide a consistent structure to guide the prioritisation of resources toward achieving compliance requirements and integration into the operations of the local government.

A legislative compliance policy was adopted by the Town in October 2021, to develop and improve upon previous reliance placed upon the knowledge and experience of senior staff and their individual desire to achieve high levels of legislative and regulatory compliance. The policy aims to support the implementation of legislative compliance systems throughout the Town's operations.

3.5.1 Appropriateness

While a policy exists to support the commitment of the Town toward high levels of legislative compliance, some reliance remains on the knowledge, experience and commitment of senior staff, to identify and prevent breaches of legislation. As a consequence, staff turnover, competing priorities and variations in workloads may impact objectives relating to legislative compliance. Therefore, one of the most effective controls in maintaining legislative compliance is a motivated, stable, experienced and knowledgeable senior management group.

Reliance on experienced senior staff for legislative compliance while considered appropriate, carries high risk where the number of experienced senior staff is low. Considering local governments generally maintain a low risk appetite for breaches of legislation, a documented legislative compliance policy would generally be considered appropriate and demonstrative of general principles associated with good governance.

3.5.2 Effectiveness

Some instances of minor non-compliance with legislative requirements were identified during our review. A proportion of the breaches identified appeared to be isolated to a portion of the organisation, where further training, education and support may benefit individual officers to better understand their legislative compliance responsibilities and obligations.

Apart from the identified breaches of legislation, and in the instances where the effectiveness was able to be assessed, the current legislative compliance framework is considered effective.

3.5.3 Improvements

Improvements to the current legislative compliance framework, are set out later within this report and summarised as follows:

- Maintain statutory registers as required by legislation;
- Review risks associated with record keeping practices when next reviewing the Town's Record Keeping Plan. Documentation of risk treatments may assist with planned implementation of identified improvements;
- Further development and approval of authorised checklists for functions which require a high level of legislative compliance; and
- Update policies discussed at Section 6.2 of this report to remove references to external information which may cause confusion with compliance obligations.

4.0 Methodology

4.1 Review Methodology – Financial Management Review

The objective of this review is to assist the CEO of the Town of East Fremantle to discharge responsibilities in respect to regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (as amended).

In carrying out our review, we examined documented policies and procedures, undertook walkthroughs of key systems and procedures and performed limited detailed testing procedures to identify weaknesses in the financial management system and report to the CEO on the appropriateness and effectiveness of the control environment within the Town, as required by regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

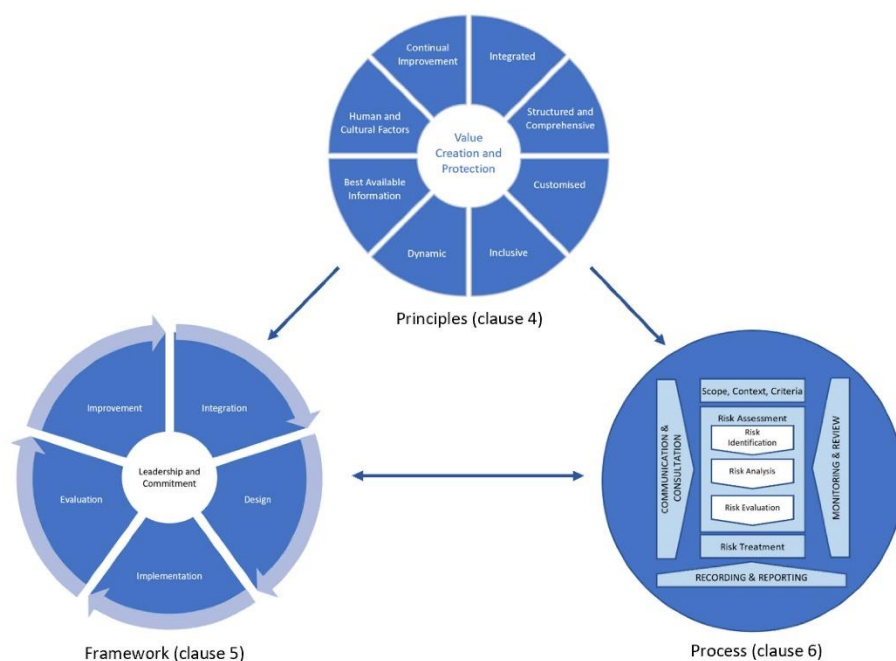
4.2 Review Methodology – Risk Management, Legislative Compliance and Internal Controls

The primary goal of this review is to assist the CEO to establish the appropriateness and effectiveness of the Town’s systems and procedures in relation to risk management, legislative compliance and internal controls.

Internal controls are designed to treat risks and form part of the risk management process. Non-compliance with legislation is one of the risks that would usually be identified as a consequence of applying a risk management process.

The Australian Standard for Risk Management, ISO 31000:2018(E), identifies three components in the application of risk management, being *Principles, Framework and Process*, as set out in Diagram 1 below.

Diagram 1. Risk Management Principles, Framework and Process



Source: Australia/New Zealand Standard ISO 31000:2018

4.0 Methodology

4.2 Review Methodology – Risk Management, Legislative Compliance and Internal Controls (continued)

In undertaking our review, we have applied the three ISO 31000:2018 framework components, as set out on the previous page, to the review topics (risk management, internal controls and legislative compliance). This involves a process incorporating the five risk management framework components, *Integration, Design, Implementation, Evaluation and Improvement*, into the review of systems and processes:

- Identify the extent of leadership and commitment to the principles;
- Assess the extent of integration of risk management within the Town;
- Assess the design of the current framework through an understanding of the Town and the context within which it operates (risk management, legislative compliance and internal controls) after considering the overall context in which the review occurs;
- Assess the implementation of the current framework;
- Assess the extent of evaluation of the current framework and its effectiveness in supporting the Town's objectives;
- Assess the current framework and improvements to the suitability, adequacy and effectiveness of the framework;
- Review the current process for the Town's systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing context, assessing, treating, monitoring, reviewing, recording and reporting risk, internal controls and legislative compliance; and
- Report on the appropriateness and effectiveness of current systems and procedures.

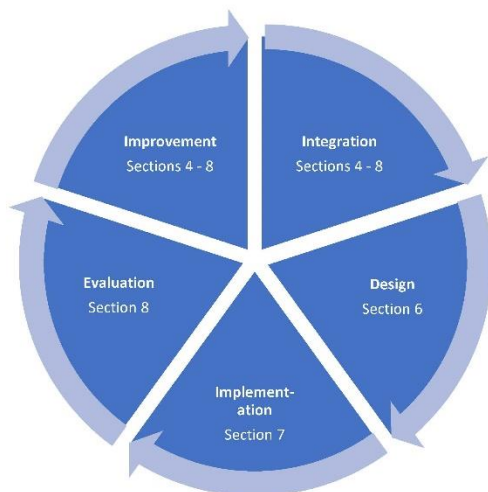
This evaluation is based on interviews with key staff, review of requested documentation listed in the Appendices and reference to any external audit reports or reviews previously conducted.

5.0 Appropriate Framework

5.1 Risk Management, Internal Control and Legislative Compliance

The following framework was identified as being appropriate for risk management, internal control and legislative compliance for the Town of East Fremantle, after consideration of the current internal and external influences, detailed in Section 2.1.

Diagram 2. Risk Management, Internal Control and Legislative Compliance Framework



Source: Australia/New Zealand Standard ISO 31000:2018

A high-level review of risk management systems, internal controls and legislative compliance was undertaken which precluded detailed testing in all areas.

The results of our review, as detailed on the following pages, are set out with reference to the structure of the above framework. We assessed the following areas:

Design	Implementation	Evaluation
6.1 Strategic Plans	7.1 Strategic and Operational Plans	8.1 Council and Audit and Risk Committee
6.2 Council Policies	7.2 Operational and Financial Procedures	8.2 Strategic and Operational Registers
	7.3 Human Resource Management and Practices	8.3 Annual Compliance Audit Returns
	7.4 Insurance	8.4 Complaint Handling
		8.5 Audit Practices
		8.6 Reviews required by the CEO

Integration along with Leadership and Commitment were assessed within each of the elements of the framework.

6.0 Framework Design

6.1 Strategic Plans

The Town has adopted two key strategic documents, the Strategic Community Plan 2020-2030 and the Corporate Business Plan 2022-2026. These plans identify the Council's organisational objectives and key outcomes, as the Town progress on its stated mission "*An inclusive community balancing growth, lifestyle and sustainability*".

The Strategic Community Plan recognises the community's aspirations and values through the following key focus areas:

1. **Social:** A socially connected, inclusive and safe community;
2. **Economic:** Sustainable, locally focused and easy to do business with;
3. **Built Environment:** Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces;
4. **Natural Environment:** Maintaining and enhancing our river foreshore and other green open spaces with a focus on environmental sustainability and community amenity; and
5. **Leadership & Governance:** A proactive, approachable Council which values community consultation, transparency and accountability.

In seeking to achieve its objectives, the Town of East Fremantle faces both inherent and business risks. Whilst striving to fulfil expectations, it is also expected to meet compliance with numerous legislative requirements. To manage these risks, the Town has established various processes, systems and controls.

The Strategic Community Plan references strategic challenges which might affect the Town, and the community's aspirations / vision, and the projects and programs which will be implemented through the plan.

This review examines the appropriateness and effectiveness of the organisation's risk management systems, internal controls and legislative compliance in the context of the Town striving to achieve its stated objectives.

6.0 Framework Design

6.2 Council Policies

Whilst the operations of the Town are the responsibility of the CEO, the Council is responsible for setting the framework for operations via adopted Council policies. These policies represent an overarching framework for the establishment of procedures relevant to risk management, internal controls, legislative compliance and financial management and have been reviewed for appropriateness and effectiveness.

In general, Council policies are well formulated and provide clear guidance regarding Council's position on certain matters. A list of policies reviewed is provided in Appendix B - Council Policies Examined. The table below details matters identified and associated suggested improvements.

	Policy	Purpose / Goal	Matters Identified / Improvements
6.2.1	Purchasing Policy 2.1.3	Policy providing a best practice approach and procedures for purchasing. Ensure consistency for all purchasing activities that integrates with all operational areas. Requires compliance with the <i>Local Government Act 1995</i> and <i>Local Government (Functions and General) Regulations 1996</i> .	<p>Instances of non compliance with the purchasing policy were noted during our review and are detailed further in Section 7.2 Operational and Financial Procedures of our report. We noted (based upon representations from staff) some of these instances relate to external challenges where policy requirements conflict with operational requirements, such as obtaining quotations for lower value purchases, contract requirements etc. Other instances may relate to poor understanding of policy compliance requirements of some staff members.</p> <p>Improvement: Consider reviewing the policy to ensure it reflects the context of the organisation, as well as controls to treat, monitor and evaluate risks associated with procurement activities. Training of individual officers with poor levels of compliance should also be undertaken to ensure they understand and comprehend policy requirements.</p>
6.2.2	General Policy Actions	To set out parameters for the implementation of policies.	<p>We noted some Council policies which may be operational in nature. Council policies are not necessarily intended to provide direction on how different operational functions of the CEO are to be executed. Some policies where this may occur includes:</p> <ul style="list-style-type: none"> • Policy 1.2.3 Staff Recruitment and Retention; • Policy 1.2.5 Staff Education and Study Leave; • Policy 1.2.7 COVID-19 Leave; and • Policy 2.1.17 Pensioners and Seniors Rebates Eligibility. <p>Improvement: Review and update this policy to consider the appropriate separation of the roles of the Council and the CEO. Consider review and update of policies to articulate the strategic direction of Council, rather than operational direction, particularly where legislation does not provide such direction.</p>

6.0 Framework Design

	Policy	Purpose / Goal	Matters Identified / Improvements
6.2.3	Policy Reference to Legislation and External Information	To support the link between Council policy, legislation and other information sources.	<p>We noted some policies contain specific detail relating to legislation and other external references, including:</p> <ul style="list-style-type: none"> • Policy 2.1.1 Disposal of Surplus Property; • Policy 2.1.17 Pensioners and Seniors Rebates Eligibility; and • Policy 5.1.2 Dangerous Dog Declarations. <p>This practice may result in conflict between the policy and legislation or guidance in the instance of a change in legislation, guidance, or other external references.</p> <hr/> <p>Some policies contain references to legislation and other external references which are no longer current and have been superseded, including:</p> <ul style="list-style-type: none"> • Policy 1.1.6 Elected Member Communication; • Policy 1.2.7 Covid-19 Leave; and • Policy 2.2.5 Internal Audit Charter. <hr/> <p>Improvement: Update policies to remove specific and / or detailed references to legislation and other external references to assist with maintaining appropriate alignment and consistency in Council policies.</p>

7.0 Framework Implementation

7.1 Strategic and Operational Plans

The Council has several strategic and operational plans which form the basis of entity level controls and entity level risk assessments.

A list of plans reviewed is provided in Appendix C - Plans Examined.

7.0 Framework Implementation

7.2 Operational and Financial Procedures

In seeking to achieve its vision, the Town delivers a number of services to the community. Meetings were undertaken with key staff in each of the areas of service responsibility, as well as examination of documented processes, to determine the practices applied to issues of risk management, internal controls and legislative compliance. A summary of the reviews undertaken to evaluate the controls is included at Appendix C.

We observed a number of practices and procedures in place, however their application was not always consistent. Considering the number of services provided and current staff resourcing, a risk based approach to the prioritisation of the review and development of new procedures is recommended. The table below details areas of suggested improvement in relation to policies and procedures examined.

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.1	Operational Procedures	To provide direction to staff in the delivery of day-to-day operational tasks, as well as guidance for expected processes, systems, and controls to be maintained.	Procedures are not formalised for some key operational functions throughout the Town. Workflow process diagrams and checklists may assist to create a visual representation of a process, clearly identifying key points of control and responsibility to be evidenced and independently reviewed. Where appropriate, these may be complemented by clearly articulated, descriptive documented procedures.
			<p>Improvement:</p> <p>Routinely undertake a review of existing operational procedures, and where required develop and implement additional procedures, to provide operational guidance aligned with adopted Council policies and legislation. Procedures should provide for activities not necessarily covered by legislation to communicate expected standards to staff from management. Development of documented procedures and checklists, and / or workflow process diagrams may assist in clearly identifying controls and processes to be followed.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.2	Segregation of Duties and Internal Controls	Controls to minimise opportunities for collusion or fraud to occur, reduce the risk of errors and improve oversight and compliance with adopted policies and procedures.	<p>We note segregation of duties occurs for a number of key roles, however we observed through our testing instances where resource constraints prevented these controls being consistently applied. Where a single individual is responsible for or involved in multiple stages of various processes, there is an increased risk and opportunity for error or misconduct.</p> <hr/> <p>Improvement: Interventions should be available at various stages for a number of operational functions, including routine independent reviews of controls to ensure they are being observed and maintained as required. Where resourcing constraints exist, other considerations should be applied such as training and engaging officers within the organisation who may not normally be involved in these processes, to assist with checks and controls, or engaging independent parties to provide sufficient levels of oversight. These controls should also be reflected in adopted policies and approved procedures.</p>
7.2.3	Overhead & Administration Allocations	To allocate indirect costs in a practical and efficient manner.	<p>A documented process to determine the allocation of administration allocations and indirect costs was not available for our review. From staff representations, current plant allocations are automatically recovered based on historical assessments and are reviewed during annual budget preparations.</p> <hr/> <p>Improvement: Undertake a review of activity based costings to support the calculation of overhead and administration allocations.</p>
7.2.4	Petty Cash	Systems and processes to ensure controls are maintained around petty cash.	<p>Our testing of petty cash noted the balance of petty cash reviewed did not reconcile with the recorded transactions at the time of our site visit.</p> <hr/> <p>Improvement: Undertake a review of systems and processes relating to petty cash, to ensure adequate controls exist relating to security of cash held, as well as maintaining and processing of petty cash transactions.</p>

7.0 Framework Implementation

	Component	Purpose / Goal	Matters Identified / Improvements
7.2.5	Credit Cards	Systems and processes to control use of Corporate Credit Cards held.	<p>During our limited testing we noted an official tax invoice was not available for a credit card purchase as required by Council policy. We also noted a tax invoice for a purchase made which did not detail the goods being purchased.</p> <hr/> <p>Improvement: Update and maintain procedures to ensure all payments made by credit cards are accompanied by appropriate tax invoices or other documentation as required by Council policy.</p>
7.2.6	Procurement	Procedures for the procurement of goods or services.	<p>Through our limited testing, we noted instances where:</p> <ul style="list-style-type: none"> • Evidence of approvals for exemptions to purchasing requirements was not available for our review; • Some payments tested were authorised for processing by the same individual who both requested and authorised the purchase order as well as receiving the goods/service for the service; and • Evidence of independent review and authorisation of payment for some creditor invoices was not always maintained. <hr/> <p>Improvements: All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy is practical and addresses identified procurement risks.</p> <hr/> <p>Appropriate segregation of duties relating to the requisitioning, receipting goods and services, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks.</p> <hr/> <p>Review and update procedures to ensure appropriate review and authorisation has occurred and is evidenced prior to creditors invoices being authorised for payment.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.7 Record Keeping Practices	To demonstrate compliance of record keeping systems and practices with legislative requirements.	<p>Upon inspection of record storage areas for hard copy records held by the Town, measures to consider risks such as vermin control and fire suppression were not evident. Although the overall impact of a record loss as documented in the Town's approved Record Keeping Plan is listed as low/medium, additional risk assessments assist with demonstrating risks are being appropriately managed.</p> <p>Improvement: Review systems and processes through a risk based approach when undertaking review of the Record Keeping Plan. This should include planned implementation of any improvements noted within the plan, self evaluated improvements and any actions noted by the State Records Office.</p>
7.2.8 Contract Management	To provide clear documentation of key contract / agreement information entered into with third parties by the Town.	<p>Our testing and staff representations noted formalised and duly executed contracts detailing agreed service levels were not always prepared at the time of engaging contractors as required by the Town's procurement policy. This has the potential to limit controls relating to cost or performance management, as well as minimum service levels for works and/or services performed.</p> <p>Improvement: Review and update systems and processes to provide for higher level controls and oversight of contracts entered into with third parties by the Town. Agreements should be dually executed to ensure contract obligations are met by both parties. Undertake training with individual staff where low compliance exists.</p>
7.2.9 Grants Management	Controls for the effective management of grants and compliance with conditions imposed by funding bodies.	<p>We noted limited procedures exist to support processes and controls in respect to:</p> <ul style="list-style-type: none"> • acquittal of grants; • compliance with grant conditions; and • governance and administration arrangements. <p>Where grants are not effectively managed, there is a risk funds may be returned due to poor performance or missed opportunities in the future. In circumstances where controls are not effective for grant application processes, unbudgeted and unauthorised financial commitments may be undertaken on behalf of the Town.</p> <p>Improvement: Document and implement procedures in relation to grants. Systems relating to grants management should include controls for the monitoring of grants with funding conditions and acquittal processes. Understanding the current status of grants (as well as the number of grants currently being managed by the Town) may assist in assessing the risks of undertaking additional programs, performance with current programs (e.g. where programs are not efficiently delivered) and detecting any issues or non compliance in a timely manner for appropriate action.</p>

7.0 Framework Implementation

7.3 Human Resource Management and Practices

A number of components constitute the Town's human resource management practices and form an essential element of risk management, internal control and legislative compliance. Each of these elements where opportunities for improvements were identified has been included by management for ongoing monitoring through the Town's ongoing risk management activities.

7.4 Insurance

At present, the Executive Manager Corporate Services annually reviews the completeness of insurance. Discussions are also held with the insurers annually and adjustments to policies and insurance levels made as considered appropriate. The insurance values of buildings, plant and equipment are based on the three to five yearly valuations of building assets undertaken by registered valuers.

	Component	Purpose / Goal	Matters Noted / Improvements
7.4.1	Contractor Insurance	Insurance cover maintained by contractors for damage caused when undertaking works for the Town.	Contractors' insurances are not always assessed prior to award of contracts. Reliance is placed on contract managers to ensure copies of insurances are provided, reviewed and maintained. Improvement: To help ensure all contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Town, procedures should be developed, and records maintained to ensure copies of contractor's insurances are obtained, reviewed and held on file prior to awarding of contracts. Monitoring periodically to ensure currency of insurances is maintained is required for longer term contracts.

8.0 Framework Evaluation

Developing and implementing systems and procedures for risk management, legislative compliance and internal controls within a Town can be a time consuming and expensive exercise with the potential to divert resources away from direct services. Considering the level of investment necessary to establish these systems, actions to monitor their effectiveness are an essential practice.

Over time, the relevancy of established controls may change, their purpose may be forgotten, or technology may offer a more efficient or effective way to achieve the initial goal. For these reasons, formal review procedures are required to ensure the resources applied to maintaining these systems, practices and controls are done so in the most efficient way.

Evidence of the monitoring of risk management, internal controls and legislative compliance is sourced from Minutes of Meetings, Registers of Disclosures and reports reviewed.

8.1 Council and Audit and Risk Committee

Regular monthly financial statements and lists of payments, made in the intervening period between each meeting, have been presented to the Council for review, as required by legislation. This provides the basis for high level oversight of the expenditure transactions of the organisation.

8.0 Framework Evaluation

8.2 Strategic and Operational Registers

A number of registers are maintained by the Town. The table below details areas for possible improvement in relation to these registers.

	Register	Purpose / Goal	Matters Identified / Improvements
8.2.1	Financial Interest Register	Records details required under the Act relating to financial circumstances of relevant persons.	<p>Upon inspection of the register of financial interests, we noted an annual return for a relevant person was incomplete.</p> <p>Improvement: Establish procedures to ensure all returns required to be maintained within the register of financial interests are properly completed at the time of providing acknowledgement of receipt of the returns.</p>
8.2.2	Delegation Register	Statutory register of delegations of authority.	<p>Our testing noted the recording of delegations exercised had not been consistently maintained as required.</p> <p>Improvement: Review systems and processes relating to the recording of exercise of delegations. Ensure staff with delegations are aware of requirements and responsibilities of each delegation, and maintain individual accountability for compliance.</p>

8.0 Framework Evaluation

8.3 Annual Compliance Audit Returns (CAR)

Returns have been completed on a self-assessment basis and approved by the Audit Committee and Council each year. The CAR was completed in house by staff for the 2019, 2020 and 2021 return periods. Non compliance was noted in the 2019 return in relation to publishing the gift register on the Town's website, removal of a return from the current register of financial interests had not occurred, some non compliance with information recorded in the tender register and some non compliance relating to procurement activities below \$150,000. In 2020 non compliance with the purchasing policy was noted for purchases between \$5,000 and \$20,000 and non publication of the tender register on the official local government website. These matters were reported to the Audit Committee and to Council, with improvements noted within the agenda report attachment to address matters identified.

8.4 Complaint Handling

Governance: External Complaints Policy (maintained within Employee Policy and Procedure Manual) provides for the management of community complaints. This policy appears to be consistently applied across the organisation, with regular reviews and management reporting to ensure complaints are adequately actioned and addressed.

8.0 Framework Evaluation

8.5 Audit Practices

The 2018-19, 2019-20 and 2020-21 reporting periods were audited by the Office of the Auditor General (OAG). The 2018-19 and 2019-20 audit reports noted the operating surplus ratio had been below the benchmark set by the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for three years and indicated a significant adverse trend to the financial position of the Town. The 2018-19 audit report also noted weaknesses in systems controls, as well as controls relating to procurement, employee and banking master file changes. System access controls were again noted in the 2019-20 audit report. A significant adverse trend was also noted in 2020-21 for the operating surplus ratio having been below the benchmark set by DLGSC for three years. Reports on actions to be taken to improve these significant matters raised were prepared and considered as required by legislation.

The table below details areas for possible improvement in relation to audit practices.

Component	Purpose / Goal	Matters Noted / Improvements
8.5.1 Internal Audit	Internal audit monitors the level of compliance with internal procedures and process along with assessing the appropriateness of these procedures.	<p>Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.</p> <hr/> <p>Improvement: We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to Parliament on the Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities.</p> <p>Management Comment: An annual work plan is considered by the Audit and Risk Committee annually. Limited resources are available for internal audit activities, and as such engagements are undertaken subject to resourcing and risk assessment.</p>

8.0 Framework Evaluation

8.6 Review required to be undertaken by the CEO

The CEO is required to undertake reviews of systems and procedures of the local government. We noted a small number of recommendations from the prior reviews remain to be fully implemented. These recommendations have been included within this report.

9.0 Other Matters

Disclaimer

Liability limited by a scheme approved under Professional Standards Legislation.

The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.

Moore Australia (WA) Pty Ltd, a Perth based partnership of trusts ("the firm"), carries on business separately and independently from other Moore Global Network Limited member firms worldwide.

Services provided under this engagement are provided by the Firm and not by any other independent Moore Global Network Limited member firm. No other independent Moore Global Network Limited member has any liability for services provided by other members.

Throughout this document, a reference to Moore Australia refers to Moore Australia (WA) Pty Ltd trading as agent ABN 99 433 544 961, an independent member of Moore Global Network Limited – member in principal cities throughout the world. Moore Australia (WA) Pty Ltd is not a partner or agent of any other Moore Global Network Limited firm.

Copyright

All rights reserved.

Any report, plan, presentation or document prepared and/or spreadsheet supplied is prepared solely for the purpose set out in the proposal scope and is not to be used for any other purpose or distributed to any other party without Moore Australia (WA) prior consent. Any reliance placed by a third party on the report is that party's responsibility.

Document Date

Version: 2.0
Status: FINAL
Date: 17 February 2023

Appendix A – Financial Management Systems Review

The following reviews were undertaken to evaluate the appropriateness and effectiveness of financial management system controls:

System	Description
Bank reconciliation and petty cash management	Examination of procedures and review of maintenance and management practices undertaken by staff
Trust funds	Examination of trust funds to determine proper accountability in the Town's financial management system and compliance with regulatory requirements
Receipts and receivables	Examination of end of day banking procedures to determine if they were adequate in ensuring cash collection is being recorded and allocated properly to the general ledger. The receivables system including raising of invoices was also reviewed with limited testing in respect to allocation/posting
Rates	<p>The Town's rating procedures were examined to determine if they were adequate in ensuring rates were being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger. We randomly selected and tested rate notices which included:</p> <ul style="list-style-type: none"> • sighting the notices; • re-performing the calculations; • ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rates per dollar imposed are as per adopted budget; • ensuring the rate system is properly updated; and • checking proper posting to the general ledger
Purchases, payments and payables (including purchase orders)	<p>Random selection of payment transactions to determine whether purchases were authorised/budgeted and payments were supported, certified/authorised and correctly allocated. The Town's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.</p> <p>We are aware of many incidents of payment scams/frauds within the local government industry during recent years. As a consequence of this activity, we have had a specific focus on the controls around the changes to supplier details within the EFT payment system</p>
Payroll	<p>A sample of eight employees were randomly selected from four pay runs and detailed testing of each employee's pay was performed to help ensure:</p> <ul style="list-style-type: none"> • the employee existed; • the correct rate of pay was used; • non-statutory deduction authorities are on hand; • time sheets were properly completed and authorised; • hours worked were properly authorised; and • allocations were reasonable and correctly posted <p>The Town's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled</p>
Credit card procedures	<p>A review of the Town's credit card procedures was performed to determine if adequate controls were in place. We randomly selected and tested credit card transactions to determine whether they are legitimate and usual in the context of the Town's operations. This included:</p> <ul style="list-style-type: none"> • sighting tax invoices; • ascertaining whether the transaction is for bona fide Town business; and • determining whether transactions are in line with the Town's policy.

Appendix A – Financial Management Systems Review

System	Description
Fixed assets (including depreciation, acquisition and disposal of property)	<p>The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined. A sample of asset additions and disposals were judgmentally selected, and testing performed to ensure:</p> <ul style="list-style-type: none"> the tax invoices existed; correct posting to the general ledger; fixed assets register was promptly updated; and classification of assets was correct. <p>In addition, a sample of four assets were judgmentally selected and testing performed to ensure the depreciation rates used are in line with the Town's policy</p>
Cost and administration allocation	The Town's cost and administration allocation system was examined to determine if indirect costs have been properly reallocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed
Financial reports controls	The format of the annual report, annual financial report and monthly financial reports were reviewed for compliance with legislative requirements
Budget and budget review	The 2022-23 budget document and documents surrounding budget adoption were reviewed to ensure compliance with regulatory requirements
Borrowings	Reconciliation of borrowings to the WATC loan schedules were examined
Inventory	Inventory reconciliations and stocktake procedures were examined

Appendix B – Council Policies Examined

The Council Policies examined as part of the review were as follows:

Policy Topic (most recent amendments dated 19 July 2022, supplied for review November 2022)

1. OFFICE OF THE CEO	
1.1	ELECTED MEMBERS
1.1.1	Payment of Council Members Fees and Allowances
1.1.2	ICT Support for Elected Members
1.1.3	Notice of Motions by Elected Members
1.1.4	Legal Advice
1.1.5	Honorary Freeman of the Town of East Fremantle
1.1.6	Elected Member Communication
1.1.7	Attendance at Events
1.1.8	Elected Member and CEO Training & Professional Development
1.1.9	Code of Conduct for Elected Members, Committee Members and Candidates
1.1.10	Code of Conduct Behaviour Complaints Management policy
1.1.11	Elections – Caretaker Period
1.2	HUMAN RESOURCES
1.2.2	CEO Leave Approval
1.2.3	Staff Recruitment and Retention
1.2.4	Gratuity Payment
1.2.5	Staff Education and Study Leave
1.2.6	Employee Use of Council Equipment
1.2.7	COVID-19 Leave
1.2.8	Whistleblower (Public Interest Disclosure)
1.2.9	Appointment of Acting Chief Executive Officer
1.2.10	Employee Superannuation Co-Contribution
1.3	COMMUNICATIONS & COMMUNITY ENGAGEMENT
1.3.1	Social Media

Appendix B – Council Policies Examined

2. CORPORATE SERVICES	
2.1	FINANCIAL MANAGEMENT
2.1.1	Disposal of Surplus Property
2.1.2	Investment of Surplus Funds
2.1.3	Purchasing
2.1.4	Rates Exemption
2.1.5	Donations
2.1.6	Supplier Payments
2.1.7	Rates/Sundry Debtor Recovery (Debt Collection)
2.1.8	Corporate Credit Card
2.1.9	Parking Infringement Appeals
2.1.10	Infringement Debt Management
2.1.11	Community Grants & Sponsorship
2.1.12	Leeuwin Carpark (No 1) & Launching Ramp – Parking for Ratepayers
2.1.13	Rubbish Collection Charge – Domestic Service – No Separate Charge
2.1.14	Motor Vehicle Acquisition & Usage
2.1.15	Waste Services for Community and Sporting Organisations
2.1.16	Rates Concession Policy
2.1.17	Pensioners and Seniors Rates Eligibility
2.1.18	Cash Backed Reserves
2.2	RISK MANAGEMENT
2.2.1	Legal Representation for Council Members and Employees
2.2.2	Use of Information Technology
2.2.3	Related Party Disclosures
2.2.4	Risk Management
2.2.5	Internal Audit Charter
2.2.6	Requests for New or Capital Upgrades to Existing Community Buildings
2.2.7	Fraud and Corruption
2.2.8	Volunteer Management Policy
2.2.9	Legislative Compliance Policy and Procedure

Appendix B – Council Policies Examined

3. REGULATORY SERVICES	
3.1	PLANNING
3.1.1	Residential Design Guidelines
3.1.2	Signage Design Guidelines – Local Planning Policy
3.1.3	Town Centre Redevelopment Guidelines – Local Planning Policy
3.1.4	George Street Mixed Use Precinct New Development Contribution to the Management of Access and Parking – Local Planning Policy
3.1.5	Community Design Advisory Committee
3.1.6	George Street Designated Heritage Area – Local Planning Policy
3.1.7	Wood Encouragement – Council
3.1.8	Wood Encouragement – General
3.1.9	Percent for Public Art – Local Planning Policy
3.2	ENVIRONMENTAL HEALTH
3.2.1	Healthy Eating
3.2.2	Noise Attenuation
3.2.3	Waterwise Poll & Spa Cover Policy
3.2.4	Verge Treatment Policy
4. OPERATIONS	
4.1	PUBLIC INFRASTRUCTURE
4.1.1	Removal of Graffiti
4.1.2	Public Art Panel
4.1.3	Public Art
4.1.4	Directional Signs
4.1.5	Memorials in Public Places
4.2	PARKS AND RESERVES
4.2.1	Maintenance & Removal of Public and Verge Trees
4.2.2	Foreshore Dinghy Management
5. RANGER SERVICES	
5.1	ANIMAL CONTROL
5.1.1	Dog Management – Community Safety
5.1.2	Dangerous Dog Declarations
6. COMMUNITY	
6.1	ACTIVITIES
6.1.1	Community Gardens
6.1.2	Trading in Public Places
6.1.3	Sustainable Event

Appendix C – Plans Examined

The Plans examined as part of the review were as follows:

Plan	Status
Strategic Community Plan	2020-2030
Corporate Business Plan	2022-2026
Strategic Resource Plan	2019-2034
Rating Strategy and 5 Year Financial Plan	2022
Asset Management Plans (Roads, Parks & Ovals, Footpaths, Drainage, Buildings)	2022
Workforce Plan	2022-2027
Incident Management / Business Continuity Response Plan	2022
Strategic IT Plan	2021-2024
IT Disaster Recovery Plan	2021
Code of Conduct – Elected Members	February 2021
Code of Conduct – Employees (draft)	July 2021
Record Keeping Plan	Approved by State Records Office 22 March 2019
Annual Report	2018-19, 2019-20 & 2020-21

Appendix D – Strategic and Operational Registers Examined

The registers examined as part of the review were as follows:

Register
Gifts Register
Delegation Register (reviewed June 2022)
Financial Interests Register
Official Complaints Register
Food Registration / Eating Houses Register
Litigation/Claims Register
IT Equipment Register
Swimming Pool Inspection Register
Grants Register
Building Access Register
Portable and Attractive Items Register
Community Complaints Register
Development Applications Register
Tender Register
Hazardous Materials Register

Appendix E – Operational Guidelines

Risk Management

The internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:

Reviewing whether the local government has an effective risk management system and material operating risks to the local government are appropriately considered;

Reviewing whether the local government has a current and effective Business Continuity Plan (including disaster recovery) which is tested from time to time;

Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas:

- potential non-compliance with legislation, regulations and standards and local government's policies*
- important accounting judgements or estimates prove to be wrong*
- litigation and claims*
- misconduct, fraud and theft*
- significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government*

Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure identified risks are monitored and new risks are identified, mitigated and reported;

Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;

Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors;

Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;

Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;

Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and

Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- a) Monitoring compliance with legislation and regulations*
- b) Reviewing the annual Compliance Audit Return and reporting to Council the results of that review*
- c) Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary*

Appendix E – Operational Guidelines

Legislative Compliance (continued)

- d) *Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints*
- e) *Obtaining assurance that adverse trends are identified and review management's Plans to deal with these*
- f) *Reviewing management disclosures in financial reports of the effect of significant compliance issues*
- g) *Reviewing whether the internal and / or external auditors have regard to compliance and ethics risks in the development of their Audit Plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee*
- h) *Considering the internal auditor's role in assessing compliance and ethics risks in their Plan;*
- i) *Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements*
- j) *Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest*

Internal Controls

Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.

These systems not only relate to accounting and reporting but also include communication processes both internally and externally, staff management and error handling.

Operational Guidelines prepared by the Department of Local Government and Communities (Audit in Local Government number 09 September 2013) provide the background to Internal Controls in the context of this review as follows:

'Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- a) *integrity and ethics;*
- b) *policies and delegated authority;*
- c) *levels of responsibilities and authorities;*
- d) *audit practices;*
- e) *information system access and security;*
- f) *management operating style; and*
- g) *human resource management and practices.*

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Appendix E – Operational Guidelines

Internal Controls (continued)

Aspects of an effective control framework will include:

- a) *delegation of authority;*
- b) *documented policies and procedures;*
- c) *trained and qualified employees;*
- d) *system controls;*
- e) *effective Policy and process review;*
- f) *regular internal audits*
- g) *documentation of risk identification and assessment; and*
- h) *regular liaison with auditor and legal advisors.*

The following are examples of controls that are typically reviewed:

- a) *separation of roles and functions, processing and authorisation;*
- b) *control of approval of documents, letters and financial records;*
- c) *comparison of internal data with other or external sources of information;*
- d) *limit of direct physical access to assets and records;*
- e) *control of computer applications and information system standards;*
- f) *limit access to make changes in data files and systems;*
- g) *regular maintenance and review of financial control accounts and trial balances;*
- h) *comparison and analysis of financial results with budgeted amounts;*
- i) *the arithmetical accuracy and content of records;*
- j) *report, review and approval of financial payments and reconciliations; and*
- k) *comparison of the result of physical cash and inventory counts with accounting records.*

Appendix F – Improvements Identified

Risk Area	Prioritised action required
Implementation – Operational and Financial Procedures	7.2.2 Segregation of Duties and Internal Controls 7.2.6 Procurement 7.2.8 Contract Management
Implementation – Insurance	7.4.1 Contractor Insurance
Evaluation – Strategic and Operational Registers	8.2.1 Financial Interest Register 8.2.2 Delegation Register

Appendix F – Improvements Identified

Risk Area	Planned action required
Design – Policies	6.2.1 Purchasing Policy 2.1.3 6.2.2 General Policy Actions 6.2.3 Policy Reference to Legislation and External Information
Implementation – Operational and Financial Procedures	7.2.1 Operational Procedures 7.2.3 Overhead and Administration Allocations 7.2.4 Petty Cash 7.2.5 Credit Cards 7.2.7 Record Keeping Practices 7.2.9 Grants Management
Evaluation – Audit Practices	8.5.1 Internal Audit

CONTACT US

Level 15, 2 The Esplanade,
Perth WA 6000

T 08 9225 5355

F 08 9225 6181

E localgov-wa@moore-australia.com.au

www.moore-australia.com.au



10.3 COMPLIANCE AUDIT RETURN 2022

Report Reference Number	ACR-404
Prepared by	Janine May EA/Governance Coordinator
Supervised by	Peter Kocian, Executive Manager Corporate Services
Meeting date	Wednesday, 1 March 2023
Voting requirements	Simple Majority
Documents tabled	Nil

Attachments

1. Draft Compliance Audit Return 2022
2. Report from Chris Liversage, Conway Highbury

PURPOSE

To facilitate the adoption of the Compliance Audit Return 2022 for submission to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March 2023.

EXECUTIVE SUMMARY

The statutory Compliance Audit Return runs on a calendar year basis and is for the period 1 January to 31 December 2022.

The statutory Compliance Audit Return has been completed by the Executive Assistant/Governance Coordinator and Executive Manager Corporate Services. Consultant Chris Liversage of Highbury Conway has subsequently provided a comprehensive audit of the draft Return.

BACKGROUND

The Compliance Audit Return is required to be:

1. reviewed by the Audit Committee,
2. presented to an Ordinary Meeting of Council,
3. adopted by Council; and
4. recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return (CAR) has been presented to Council, a certified copy of the return signed by the Mayor and Chief Executive Officer, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSC by 31 March 2023.

CONSULTATION

Chris Liversage (Conway Highbury)

STATUTORY ENVIRONMENT

Section 7.13(i) of the *Local Government Act 1995* requires that each local government carry out a compliance audit for the period 1 January to 31 December each year.

Regulations 14 & 15 of the *Local Government (Audit) Regulations 1996* specify requirements with respect to the compliance audit.

POLICY IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

N/A

STRATEGIC IMPLICATIONS

The Town of East Fremantle Strategic Community Plan 2020 – 2030 states as follows:

Strategic Priority 5: Leadership and Governance

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

5.1 Strengthen organisational accountability and transparency.

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Non compliance with statutory requirements	Rare (1)	Major (4)	Low (1-4)	COMPLIANCE Short term non-compliance but with significant regulatory requirements imposed	Accept Officer Recommendation

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
	Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	4
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

SITE INSPECTION

N/A

COMMENT

The independent audit of the statutory Compliance Audit Return has been completed and independently audited by Chris Liversage of Conway Highbury, who has worked in local government and subsequently as a local government consultant for many years.

Mr Liversage found no evidence of non compliance however has provided suggestions regarding:

- Procurement Policy
- Tender Register

10.3 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 030103

OFFICER RECOMMENDATION

Moved Cr Donovan, seconded Cr White

That the Audit Committee recommend Council adopt the 2022 Compliance Audit Return for submission to the Department of Local Government, Sport & Cultural Industries by 31 March 2023.

(CARRIED UNANIMOUSLY)

REPORT ATTACHMENTS

Attachments start on the next page

[Home \(/\)](#) / [Compliance Audit Return \(/CAR/\)](#) / **Compliance Audit Return**

Compliance Audit Return

- Start ✓
- Details ✓
- Commercial Enterprises ✓
- Delegation ✓
- Disclosure of Interest ✓
- Disposal of Property ✓
- Elections ✓
- Finance ✓
- Integrated Planning and Reporting ✓
- Employees ✓
- Conduct ✓
- Other ✓
- Tenders ✓
- Documents ✓

Review

Finalise

Print Draft

Details

Local Government

East Fremantle, Town of

Created By

Janine May

Year of Return

2022

Status

Draft

Commercial Enterprises by Local Governments

1. Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? *

N/A

Add comments

—

2. Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? *

Yes

Add comments

—

3. Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? *

N/A

Add comments

—

4. Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022? *

Yes

Add comments

—

5. During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? *

Yes

Add comments

—

Delegation of Power/Duty

1. Were all delegations to committees resolved by absolute majority? *

Yes

Add comments

—

2. Were all delegations to committees in writing? *

Yes

Add comments

—

3. Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? *

Yes

Add comments

—

4. Were all delegations to committees recorded in a register of delegations? *

Yes

Add comments

—

5. Has council reviewed delegations to its committees in the 2021/2022 financial year? *

Yes

Add comments

—

6. Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? *

Yes

Add comments

—

7. Were all delegations to the CEO resolved by an absolute majority? *

Yes

Add comments

—

8. Were all delegations to the CEO in writing? *

Yes

Add comments

—

9. Were all delegations by the CEO to any employee in writing? *

Yes

Add comments

10. Were all decisions by the Council to amend or revoke a delegation made by absolute majority? *

N/A

Add comments

11. Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? *

Yes

Add comments

12. Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year? *

Yes

Add comments

13. Did all persons exercising a delegated power or duty under the Local Government Act 1995 keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996 regulation 19? *

Yes

Add comments

Disclosure of Interest

1. Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? *

Yes

Add comments

2. Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? *

Yes

Add comments

3. Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made? *

Yes

Add comments

4. Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? *

Yes

Add comments

—

5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? *

Yes

Add comments

—

6. On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? *

Yes

Add comments

—

7. Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? *

Yes

Add comments

—

8. Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? *

Yes

Add comments

—

2/21/23, 4:39 PM

Compliance Audit Return · Starter Portal

9. When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person? *

Yes

Add comments

—

10. Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? *

Yes

Add comments

—

11. Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? *

Yes

Add comments

—

12. Did the CEO publish an up-to-date version of the gift register on the local government's website? *

Yes

Add comments

—

13. When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people? *

Yes

Add comments

—

14. Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? *

Yes

Add comments

—

15. Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? *

Yes

Add comments

—

16. Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? *

N/A

Add comments

—

17. Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? *

N/A

Add comments

—

18. Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? *

Yes

Add comments

—

19. Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? *

No

Add comments

—

20. Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? *

Yes

Add comments

—

21. Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? *

Yes

Add comments

—

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? *

Yes

Disposal of Property

1. Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? *

N/A

Add comments

—

2. Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? *

N/A

Add comments

—

Elections

1. Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the Local Government (Elections) Regulations 1997? *

N/A

Add comments

—

2. Did the CEO remove any disclosure of gifts forms relating to unsuccessful candidates, or successful candidates that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? *

N/A

Add comments

3. Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? *

N/A

Add comments

Finance

1. Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? *

Yes

Add comments

2. Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority? *

N/A

Add comments

Please enter comments *

No delegated authority.

3. Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? *

Yes

Add comments

4. Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? *

N/A

Add comments

5. Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? *

N/A

Add comments

6. Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? *

N/A

Add comments

7. Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? *

Yes

Add comments

Integrated Planning and Reporting

1. Has the local government adopted by absolute majority a strategic community plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

08/12/2020

2. Has the local government adopted by absolute majority a corporate business plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

21/06/2022

3. Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? *

Yes

Add comments

Local Government Employees

1. Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? *

N/A

Add comments

—

2. Was all information provided in applications for the position of CEO true and accurate? *

N/A

Add comments

—

3. Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? *

N/A

Add comments

—

4. Did the CEO inform council of each proposal to employ or dismiss senior employee? *

N/A

Add comments

—

5. Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? *

N/A

Add comments

Official Conduct

1. Has the local government designated an employee to be its complaints officer? *

No

Add comments

Please enter comments *

CEO is complaints officer

2. Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? *

Yes

Add comments

3. Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? *

Yes

Add comments

4. Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? *

Yes

Add comments

Other

1. Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022?

Yes

Add comments

Please provide the date of council's resolution to accept the report. *

18/02/2020

Please enter comments *

Current review to be presented to Audit Committee on 2 March 2023

2. Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022?

Yes

Add comments

Please provide the date of council's resolution to accept the report. *

18/02/2020

3. Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?

Yes

Add comments

4. Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Yes

Add comments

Please enter comments *

During 2021.

5. Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Yes

Add comments

—

6. Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Yes

Add comments

Please enter comments *

During 2021.

7. Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?

Yes

Add comments

—

8. By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?

Yes

Add comments

9. When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?

Yes

Add comments

Tenders for Providing Goods and Services

1. Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? *

Yes

Add comments

2. Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations? *

Yes

Add comments

3. When regulations 11(1), 12(2) or 13 of the Local Government (Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)? *

Yes

Add comments

—

4. Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract? *

N/A

Add comments

—

5. If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation? *

Yes

Add comments

—

6. Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16? *

Yes

Add comments

—

7. Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? *

Yes

Add comments

—

8. Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? *

Yes

Add comments

—

9. Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? *

Yes

Add comments

—

10. Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? *

Yes

Add comments

—

11. Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? *

Yes

Add comments

—

12. Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? *

Yes

Add comments

—

13. Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? *

Yes

Add comments

—

14. Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? *

Yes

Add comments

—

15. Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE? *

N/A

Add comments

—

16. If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? *

N/A

Add comments

—

17. Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? *

N/A

Add comments

—

18. Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? *

N/A

Add comments

—

19. Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? *

N/A

Add comments

—

20. Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? *

N/A

Add comments

—

21. Did the CEO send each applicant written notice advising them of the outcome of their application? *

N/A

Add comments

—

22. Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F? *

N/A

Add comments

—

Documents

There are no notes to display.



20 February 2023

Ms J May
Governance Coordinator
Town of East Fremantle
135 Canning Highway
East Fremantle WA

By email: JMay@eastfremantle.wa.gov.au

Dear Janine

Town of East Fremantle Statutory Compliance Audit

As you are aware I attended the Town offices on 10 February 2023 as part of completing the 2022 compliance audit return for the Town of East Fremantle.

In most cases, compliance was checked by viewing the documentation required, minutes of meetings, or on a sample basis. A detailed Return with comments is attached. Where applicable, a note has been made of the council resolution or similar supporting evidence.

In summary, the Town achieved a commendable and very high level of compliance.

The systems and processes employed by the Town to comply with the requirements of the matters covered by the 2022 compliance audit return appear robust and appropriate for a local government of its size.

There are two areas where the Town may wish to make some minor changes:

Delegation to Committees

Section 5.16 of the Act allows a council to delegate certain powers to committees. Council could consider a delegation to its Audit and Risk Committee to meet with the Town's auditors under s7.1B of the Act.

Purchasing of low value items

Question 1 under 'Tenders for providing goods and services' asks *'Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?'*

Based on the sample viewed there were no instances of non-compliance; the Town's online procurement system requires recording of quotes in accordance with the modalities (ie requirements when making purchases within set thresholds) set out in Policy No 2.1.3. This substantially deals with any issues that may arise.

The policy requires that purchases from \$0 to \$5,000 are to be supported by one verbal quote and duly recorded in the online system.

This is an inefficient way of procuring items that may be of a very low value. Council should consider an amendment to this policy to the effect that no quotes need be obtained or recorded for purchases from \$0 to (say) \$500 providing the person making the purchase is satisfied that the price is fair and reasonable, while at the same time introducing some efficiencies.

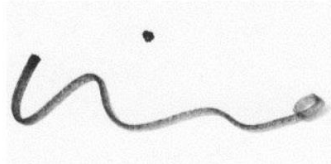
This will deal with low value purchases such as the occasional box of nails, a reticulation fitting, spare tyre or the like that under the current policy quotes are required to be obtained and recorded. These items should be subject to a spot check from time to time to ensure that purchases are not split by employees to get under the threshold and that prices are in fact fair and reasonable.

Summary

The range and complexity of legislation that local governments are required to be aware of, and comply with is broad. The Town displayed a very high level of compliance in relation to the matters covered.

I would like to thank Town staff for their ready cooperation during the course of this project.

Yours sincerely



Chris Liversage
MLGPro BBus Dip Local Govt (C)
Director

Town of East Fremantle - 2022 Compliance Audit Return

Commercial Enterprises by Local Governments						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022?	2022 Council minutes.	N/A	There were no major trading undertakings entered into by the Town in 2022.	Consultant
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2022?	2022 Council minutes	N/A	The town commenced a major land transaction prior to 2022 (East Fremantle Oval) but there were no major trading undertakings entered into or made in the year subject to the audit.	Consultant
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022?	2022 Council minutes	N/A	There were no major land transactions entered into by the Town in 2022.	Consultant
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022?	2022 Council minutes	N/A	There were no major trading undertakings or land transactions entered into by the Town in 2022.	Consultant

5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	2022 Council minutes	N/A	There were no major trading undertakings or land transactions entered into by the Town in 2022.	Consultant
Delegation of Power/Duty						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Council and committee minutes	Yes	Minutes council meeting 20 Jun 2022.	Consultant
2	s5.16	Were all delegations to committees in writing?	Register of delegations; council minutes	Yes (minutes of council meeting)	See note above re Register. The Town could also consider a delegation to audit committee to meet with auditor under s7.12A(2) of the Act.	Consultant
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Register of delegations; council minutes	Yes	See note above re Register.	Consultant
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Register of delegations	Yes	On webpage: <i>'The Committee considers and determines (subject to qualification, under delegation from full Council) all matters related to strategic and statutory planning, including heritage matters'</i> .	Consultant
5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year?	Council minutes	Yes	Item 15.1 minutes of council meeting 21 June 2022	
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Register of delegations	Yes		

7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Item 15.1 minutes of Council meeting 21 June 2022	Yes		
8	s5.42(2)	Were all delegations to the CEO in writing?	Register of delegations	Yes	On Town website as well	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Register of delegations	Yes	The register of delegations lists delegations to the CEO from council and from the CEO to other employees	
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Minutes of council meetings for 2022	Yes	Council meeting 21 June 2022.	
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Register of delegations	Yes	Register maintained by Town combines delegations to Committees and CEO; and from CEO to other employees	
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year?	Minutes of council meetings for 2022	Yes	Council to CEO - 21 June 2022.	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?		Yes	A record such as an email, letter etc is appropriate. No central register is required or maintained.	
Disclosure of Interest						
No	Reference	Question	Source for verification	Response	Comments	Respondent

1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Council minutes	Yes	Minutes show in all cases where interests disclosed that required a council member to leave a meeting that they did so. These included financial and proximity interests. A number of impartiality declarations were made but Members are not required to leave a meeting under this provision.	Consultant
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	Council minutes	N/A	There were no occasions where participation approval was sought or given.	Consultant
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Council minutes	Yes	Minutes of meetings of the period under review record all occasions where an interest was declared.	Consultant
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Register of primary and annual returns viewed on Towns website	Yes	Samples viewed contained information required by Regs	Consultant

5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Register of primary and annual returns viewed on Towns website	Yes	Register contains names of council members and position of employee as required by Admin Reg 23	Consultant
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Town records	Yes	Viewed samples of acknowledgement letters	Consultant, Town staff
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	Town records	Yes	Viewed register	Consultant, Town staff
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Town records	Yes	List of disclosures by financial year on Towns website	Consultant
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Register of annual returns	Yes	Register does not contain details of persons who are no longer required to lodge a return.	Consultant
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Register of annual returns	Yes	The question seems to relate to s5.88(4) not (3).	

Attachment -2

11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Gifts register	Yes	Viewed on Shire website. Last updated 5 June 2022. One entry.	Consultant
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Gift register on Town's website.	Yes	Last updated 5 June 2022. One entry.	Consultant
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	Compared register versions	Yes	Viewed register	Consultant, Town staff
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Compared register versions	Yes	Viewed register	Consultant, Town staff
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Council minutes	Yes	One interest declared (CEO performance review)	Consultant

16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	Council minutes	N/A	There were no occasions where participation approval was sought or given.	Consultant
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered?	Council minutes	N/A	There were no occasions where participation approval was sought or given.	Consultant
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2022)?	Council minutes	Yes	Viewed on Town website at https://www.eastfremantle.wa.gov.au/council/governance/conduct-and-values.aspx .	Consultant
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	Code on Town website	N/A	No additional requirements added	Consultant
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Code of conduct for employees shown on Towns website	Yes	Viewed on website Feb 2023.	
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government in accordance with section 5.51A(1) of the Local Government Act 1995?	Code of conduct for employees shown on Towns website	Yes		Consultant

Disposal of Property						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Town records	N/A	There were no instances where property was not disposed of by public auction. EG 128 George St sold by public auction.	Consultant
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	N/A	N/A		Consultant
Elections						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Electoral gifts register	N/A	There were no elections held in 2022	Consultant

2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	Electoral gifts register	N/A	There were no elections held in 2022	Consultant
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Town website	N/A	There were no elections held in 2022	Consultant
Finance						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Minutes of audit committee meetings	Yes		Consultant
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	Register of delegations contains no delegations to audit committee	N/A	Consider a delegation to meet with Auditors	Consultant
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?	Council minutes	Yes	Item 14.3 Council meeting 13 Dec 2022	Consultant

4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	N/A	No matters raised that required action to be taken	Consultant
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	N/A	There were no matters raised that required a report.	Consultant
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	N/A	There were no matters raised that required a report etc	Consultant
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit?	Minutes of audit committee meetings	Yes		Consultant
Integrated Planning and Reporting						
No	Reference	Question	Source for verification	Response	Comments	Respondent

1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Council minutes, website	Yes	Adopted 2017. Reviewed June 2022	Consultant
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Council minutes, website	Yes	Reviewed council meeting June 2022 OCM.	Consultant
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Corporate Business Plan	Yes	Reg 19DA(2) provides that the Plan is to span at least four financial years; subreg (3) sets out the content required.	Consultant

Local Government Employees

No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	N/A	N/A	There were no vacancies for the CEO and/or designated 'senior employees' in the period of the audit.	Consultant
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	N/A		Consultant
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	N/A	N/A		Consultant
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	N/A		Consultant

5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	N/A		Consultant
Official Conduct						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 of the Local Government Act 1995 to be its complaints officer?	N/A	Yes	Under s5.120 - CEO by default if no one designated	Consultant
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?	Register of complaints	Yes	The Town has a register; there were no complaints recorded for the period of the audit.	Consultant
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	Register of complaints	Yes	While there were no complaints made, the Towns register has headings for the matters required by s5.121(2).	Consultant
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Towns website	Yes		Consultant
Optional Questions						
No	Reference	Question	Source for verification	Response	Comments	Respondent

1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report.	Audit committee, council minutes	Yes	Note the requirement of the Regulation is to do the required review within the three years prior to 31 Dec 2022. The required review was presented to the council meeting on 18 Feb 2020.	Consultant
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report.	Audit committee, council minutes	Yes	See comment above.	Consultant
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	Register of gifts	N/A	S5.87A requires elected members to disclose gifts; similarly s5.87B requires the CEO to disclose gifts. Section 5.87C sets out the information required in the Register. There was one disclosure made for the period from 30 June 2021 to the date of this review (10 Feb 2023); the register complies with the information required by s5.87C	Consultant

4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to- date version on the local government’s website, a policy dealing with the attendance of council members and the CEO at events?	Town website	Yes	Policy viewed on website. https://www.eastfremantle.wa.gov.au/Profiles/eastfremantle/Assets/ClientData/1_1_7_Attendance_at_Events.pdf	Consultant
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government’s website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	Town website	Yes	5.96A(1)(a) - map - yes 5.96A(1)(b) - Local Laws - yes 5.96A(1)(c) - annual budget - yes 5.96(1)(d) - fees and charges - yes in budget doc as well) 5.96(1)(e) - Plans for the Future - yes - corporate-business-plan, strategic community plan - at website. 5.96(1)(f) - minutes of Council and Ctee meetings - Council mtgs - yes - Ctee mtgs 5.96(1)(g) - minutes of electors meetings - yes - Sept 7 2022 minutes 5.96(1)(h) - agendas and notices - yes	Consultant
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Policy on website	Yes	Adopted by Council 19 May 2020.	Consultant

7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	Town website	Yes	Note CAR says 2021/22 FY... Viewed on Shire website	Consultant
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?	Town records	Yes		Consultant
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Budget documents, council minutes	Yes	Budget adopted at OCM 21 June 2022 item 14.4	Consultant
Tenders for Providing Goods and Services						
No	Reference	Question	Source for verification	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Procurement policy, sample of purchases made under different thresholds of policy	Yes	The current Policy requires quotes for purchases from \$zero to \$5,000. This is considered a little onerous for small or routine purchases; the Town should consider an amendment to the policy to the effect that no quotes are required for purchases from \$0 to (say) \$500 providing the person undertaking the procurement is satisfied that the price is reasonable and reflects value for money.	Consultant

2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Tenders register on Town website	Yes	Based on sample checked.	Consultant
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Tenders register (copy of adverts)	Yes	Samples viewed contained information required by Regulations 14(3) and (4).	Consultant
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?		N/A	No multiple contracts entered into based on sample size.	Consultant
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Tenders register, Town staff	Yes	The Town could consider addition to its tenders register to add a column that records details of addendums, when issued and a brief description. This will also help ensure answers to questions are sent to all persons who may have registered for docs.	Consultant

6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Policy contains reference to a procedures manual re tenders	Yes		Consultant
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Tenders register viewed on website	Yes	Note that Reg 17(2)(C) requires the register to include a 'copy of the notice of the invitation to tender'. This does not reflect how tenders are called using e-procurement processes. The regulation should be amended, and in the meantime it may assist if the Town includes a link to the notice on its register on the Town's website.	Consultant
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Tenders register	Yes	The system used by the Town automatically rejects tenders not received by closure time/ date. There was one occasion where a tender was correctly rejected as it was submitted directly to an employee and was not received as required in the Conditions of Tender by the closing time or at the correct location.	Consultant

Attachment -2

9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Council minutes	Yes		Consultant
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Town records (sample)	Yes		Consultant
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	Tenders register (copy of adverts)	Yes	Tenderlink, West Australian, local newsletter, ToEF website	Consultant
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Tenders register	Yes	See comments above	Consultant
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	Tenders register	N/A	No Eols requested	Consultant
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A	N/A	No Eols requested	Consultant

15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE?	N/A	N/A	The Towns procurement policy deals with panels, but there were no panels used by Town	Consultant
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	N/A	No panels used by Town	Consultant
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	N/A	No panels used by Town	Consultant
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	N/A	No panels used by Town	Consultant
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	N/A	No panels used by Town	Consultant

Attachment -2

20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	N/A	No panels used by Town	Consultant
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	N/A	No panels used by Town	Consultant
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Policy Manual	Yes	Based on sample checked. Appears little to no use made of regional price preference however.	Consultant

10.4 INTEGRITY FRAMEWORK

Report Reference Number	ACR-420
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting date	Wednesday, 1 March 2023
Voting requirements	Simple
Documents tabled	Nil
Attachments	
	1. Town of East Fremantle Integrity Framework

PURPOSE

The Town of East Fremantle Integrity Framework has been prepared and is submitted to the Audit Committee for endorsement and recommendation to Council for adoption.

EXECUTIVE SUMMARY

This Integrity Framework outlines the policies, mechanisms and responsibilities that help the Town of East Fremantle deliver on our Strategic Community Plan 2020-2030 through high levels of honesty, objectivity, ethics and accountability.

BACKGROUND

Part of the Public Sector Commissioner's (PSC) role is to promote and maintain integrity, conduct and ethics in the WA government sector. The PSC has developed an Integrity Strategy for WA Public Authorities 2020-2023, which focuses in four key improvement areas with actions and controls to promote integrity and help prevent misconduct and corruption:

1. Plan and Improve Integrity – effective governance systems and frameworks are established.
2. Model and embody a culture of integrity – a culture of integrity exists and is reinforced and communicated by leaders.
3. Learn and develop integrity knowledge and skills – individual and authority integrity knowledge, skills and competence are grown.
4. Be accountable for integrity – prevention, detection and response to integrity matters are everyone's personal and professional responsibilities.

The Public Sector Commissioner intends to instruct public sector bodies under the Public Sector Management Act 1994 to have an integrity framework in place by June 2023.

Using the resources available from the PSC, the Chief Executive Officer has prepared the attached Integrity Framework.

CONSULTATION

Executive Leadership Team

STATUTORY ENVIRONMENT

Public Sector Management Act 1994

Corruption, Crime and Misconduct Act 2003
Public Interest Disclosure Act 2003

POLICY IMPLICATIONS

The Town of East Fremantle Integrity Framework is linked to a suite of corporate documents relating to integrity management such as the Code of Conduct, Policies, Delegations, Authorisations etc...

FINANCIAL IMPLICATIONS

The delivery of publicly funded infrastructure, facilities and services for the Town of East Fremantle occurs in a complex political and operational environment. The community rightly expects that these are delivered in a responsible and ethical manner that delivers value for money.

The Town’s resources will be managed with integrity and transparency in accordance with our values and vision for the future. This Integrity Framework provides the first step in being accountable and ensuring our services are delivered in accordance with community expectations.

STRATEGIC IMPLICATIONS

The Town of East Fremantle Strategic Community Plan 2020 – 2030 states as follows:

Strategic Priority 5: Leadership and Governance

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

5.1 Strengthen organisational accountability and transparency.

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Misconduct	Possible (3)	Major (4)	High (10-16)	REPUTATIONAL Substantiated, public embarrassment, moderate impact, moderate news profile	Manage by adopting and implementing an Integrity Framework

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)

Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	12
Does this item need to be added to the Town's Risk Register	Yes
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable.

COMMENT

The Town of East Fremantle Integrity Framework is modelled on the "Integrity Strategy for WA Public Authorities 2020-2023" published by the Public Sector Commission Western Australia and "A Guide to Building Workplace Integrity" published by the Office of Police Integrity Victoria.

The Framework includes as maturity self-assessment tool which will assist the Town in identifying the strengths and weaknesses of its current approach to integrity in relation to 4 levels of maturity – emerging, developing, embedded and excelling.

CONCLUSION

The Town of East Fremantle Integrity Framework is recommended for endorsement.

10.4 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

<p>Committee Resolution 040103</p> <p>OFFICER RECOMMENDATION</p> <p>Moved Mayor O'Neill, seconded Cr White</p> <p>That the Audit Committee recommend Council adopt the Town of East Fremantle Integrity Framework as presented.</p> <p style="text-align: right;"><u>(CARRIED UNANIMOUSLY)</u></p>
--

NB: Mr Ben Arnold asked if the self -assessment tool could be provided to the Audit Committee at the June meeting.

REPORT ATTACHMENTS

Attachments start on the next page



Integrity Framework

February 2023

Table of Contents

PART 1: INTEGRITY IN LOCAL GOVERNMENT	3
1.1 Purpose	3
1.2 The Town of East Fremantle Values	3
1.3 The Town of East Fremantle’s vision for the future	3
1.4 What is integrity	4
1.5 What does integrity look like?	4
1.6 How much does integrity cost?	4
1.7 The Town of East Fremantle Integrity Model	5
1.8 Why is integrity important to the Town?	5
PART 2: INTEGRITY STATEMENT	6
2.1 Plan and act to improve integrity	6
2.2 Model and embody a culture of integrity	8
2.3 Learn and develop integrity knowledge and skills	9
2.4 Be accountable for integrity	10
PART 3: MEASURES OF SUCCESS	12
3.1 Signs of success	12
3.2 Corporate objectives	12
3.3 Corporate documents	13
3.4 Training and development	13
3.5 Review and monitor	13
APPENDIX – Integrity Snapshot Tool	14

PART 1: INTEGRITY IN LOCAL GOVERNMENT

1.1 Purpose

This Integrity Framework outlines the policies, mechanisms and responsibilities that help the Town of East Fremantle deliver on our Strategic Community Plan 2020-2030 through high levels of honesty, objectivity, ethics and accountability.

The Integrity Framework is underpinned by the Town’s values and visions for the future.

1.2 The Town of East Fremantle Values

	<p>Being courteous at all times and valuing the views and opinions of others by having due regard to their rights and responsibilities</p>
	<p>Holding oneself to consistent standards exemplified by being honest and having a strong moral code, upholding the reputation of the organisation</p>
	<p>Working together to achieve agreed outcomes by building and sustaining a high performance work environment underpinned by trust and commitment</p>
	<p>Willing to develop an understanding of someone's concerns and consider their needs and feelings in working with them to address work related issues and solve problems</p>

1.3 Our Vision for the future

Inclusive community and lifestyle, balancing growth and sustainability

1.4 What is integrity?

The Integrity Strategy for WA Public Authorities 2020-2023 published by the Public Sector Commission, provides the following:

“Integrity is a non-negotiable to assure Western Australians that public authorities act in the interest of the community each and every day through the decisions we make and the actions we take”.

Operating with integrity means using our powers responsibly for the purpose and in the manner for which they were intended. It means acting with honesty and transparency; and making reasoned decisions without bias by following fair and objective processes.

It also means preventing and addressing improper conduct, disclosing facts without hiding or distorting them, and not allowing decisions or actions to be influenced by personal or private interests.

Earning and maintaining community trust is essential for us to deliver the services that families, individuals, businesses and industry need for them to prosper – and for the State to grow.

1.5 What does integrity look like?

Integrity involves developing and maintaining a professional and respectful workplace. It involves ethical leadership, active management and supervision, the right people, effective processes and confident professional reporting.

Workplace integrity is about creating a workplace that fosters the development of high professional standards, and demonstrates the values of the organisation.

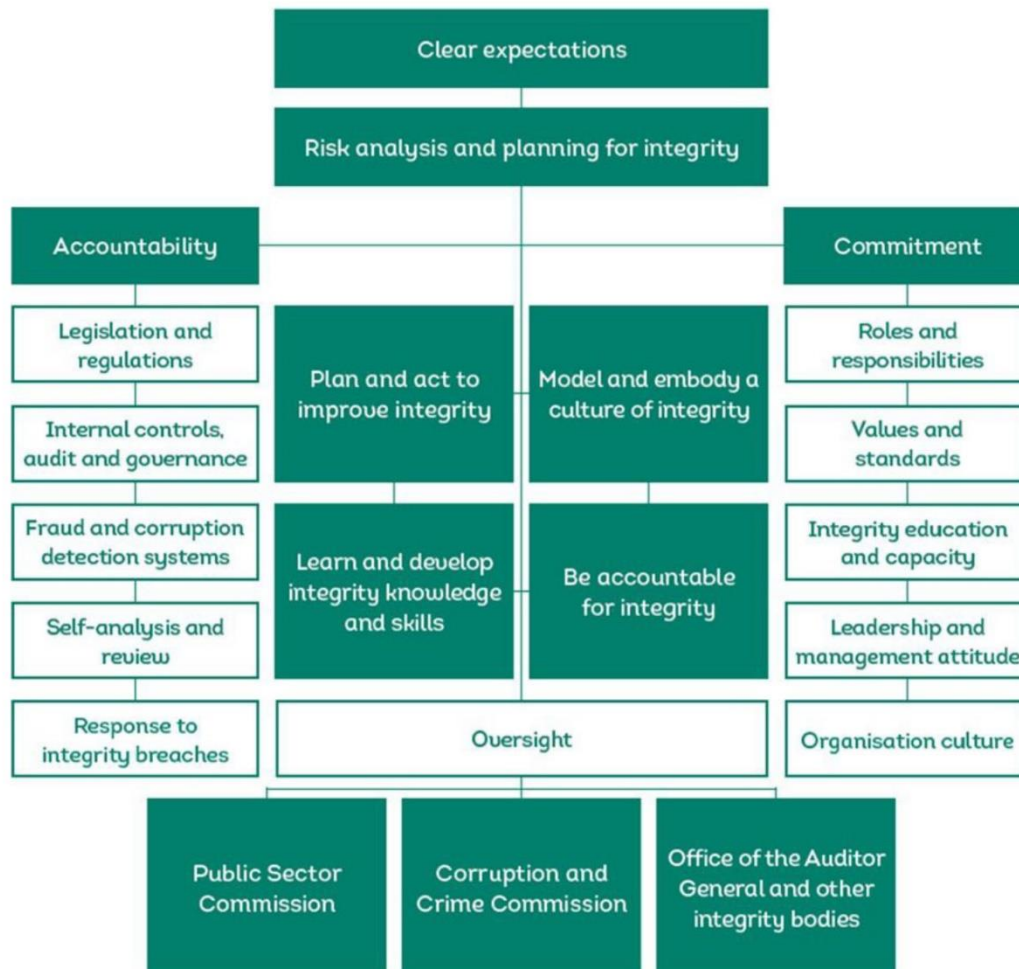
An ethical and professional workplace is the best safeguard against risks to integrity, including improper conduct, misconduct and corruption.

1.6 How much does integrity cost?

The delivery of publicly funded infrastructure, facilities and services for the Town of East Fremantle occurs in a complex political and operational environment. The community rightly expects that these are delivered in a responsible and ethical manner that delivers value for money.

The Town’s resources will be managed with integrity and transparency in accordance with our values and vision for the future. This Integrity Framework provides the first step in being accountable and ensuring our services are delivered in accordance with community expectations.

1.7 The Town of East Fremantle Integrity Model



1.8 Why is integrity important to the Town?

Increasing the ethical capacity of the Town and managing risks appropriately assists in establishing an ethical organisational culture. The culture of the organisation is the most influential factor on the behaviour of our employees—it has the potential to make an ethical person act unethically or an unethical person behave ethically (Independent Commission Against Corruption (NSW), 1998). Although the Town has a Codes of Conduct, policies and management practices, these alone will not guarantee the ethical behaviour of our people. An ethical and professional workplace is the best safeguard against risks to integrity, including improper conduct, misconduct and corruption.

PART 2: INTEGRITY STATEMENT

The Town of East Fremantle Integrity Framework is modelled on the “Integrity Strategy for WA Public Authorities 2020-2023” published by the Public Sector Commission Western Australia and “A Guide to Building Workplace Integrity” published by the Office of Police Integrity Victoria. In accordance with these documents, our Integrity Framework is based on the following principles:

2.1 Plan and act to improve integrity

Effective governance systems and frameworks are established.

“The attitudes, behaviours and responses of staff demonstrate a commitment to organisational values and goals. Ethical conduct prevails in the workplace, and staff take responsibility for building a professional workplace. Staff at all levels take action when needed. They act to prevent misconduct and improper behaviour, they raise integrity concerns, and they do not support destabilising attitudes and behaviours. Staff know what the organisation expects of them, and carry out their duties in accordance with these expectations. Staff feel valued and supported in the workplace”.

Code of Conduct

The Town of East Fremantle Code of Conduct is regularly reviewed and is available to all staff. Staff undergo refresher training every 12 months with a required pass mark for completion. The Code of Conduct promotes the Town’s organisational values and provides expected standards of behaviour. The Code is required by regulations made under the *Local Government Act 1995* to contain certain requirements. Beyond those specified requirements, the Code also includes a number of other requirements in relation to the conduct of Council Members and Employees. They have been formulated on the basis that they express standards of conduct which are appropriate to the context of local government and the roles and functions that Council Members and Employees have and perform, and that compliance with them will make a significant contribution to the provision of good and sound local government, and to the effective and efficient performance by the Town of East Fremantle of its functions to the betterment of the community it serves.

Governance Framework

The Town of East Fremantle Governance Framework 2021 has been prepared to ensure our compliance with all relevant legislation, including the *Local Government Act 1995* and the pursuit of best practice as a democratic local government.

It is an overview of the governance program that has been put in place so that Elected Members and employees can meet their governance responsibilities. It also enables our community and stakeholders to have an understanding of governance and demonstrates how all people associated with our Council can participate.

Public Registers

The Town is required to maintain and publish certain registers to the Town's website for public inspection in accordance with the Act. These include a Gifts Register, a Contribution to Travel Register, a Minor Breaches Register, Declarations of Interest Register and an Electoral Gifts Register.

Freedom of Information

The Western Australian *Freedom of Information Act 1992* (FOI Act) gives members of the public the right to apply for access to documents held by the Town of East Fremantle.

Under the FOI Act, the Town is required to help people to make an application, to obtain access to documents at the lowest reasonable cost and ensure that personal information is accurate.

A public Information Statement, updated annually, provides details about the history, demographics, government structure, administration and statutory responsibilities of the Town of East Fremantle, as well as facts regarding freedom of information and schedules and forms.

Public Interest Disclosures

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosures and those who are the subject of disclosures.

This Act applies to public authorities such as the Town of East Fremantle and provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

Every public authority is required to have a Public Interest Disclosures (PID) officer to receive disclosures of public interest information. The Town has two PID officers – The Manager Human Resources and the Manager Governance.

Authorisations

The Town has many functions and duties that are prescribed by legislation. Various legislation may assign specified powers and duties to "Authorised Persons". The CEO authorises certain officers to undertake these specific duties via a formal authorisation certificate and identity card. An authorised person may also be referred to as an "authorised employee" and "authorised officer". The Town keeps an updated Register of these Authorisations which are regularly reviewed.

Delegations

Council may delegate the exercise of some of its functions and powers to the Chief Executive Officer in accordance with provisions in the *Local Government Act 1995* (LG Act). These delegations must be approved by an absolute majority of Council.

Similarly the LG Act provides that the CEO may delegate the exercise of some of those functions and powers to employees of the Town. Such a delegation may be made subject to conditions, qualifications, limitations or exceptions as the person so delegating may specify. Further, a delegation may be made to a specified person or to persons of a specified class, or may be made to the holder or holders for the time being of a specified office or class of office.

Under the LG Act, these delegations must be reviewed every 12 months.

Shared responsibility

Staff receive ongoing training on their, and others, roles and responsibilities in the workplace which engenders a mutual understanding of how positions contributes to the overall functioning of the Town. This is a deliberate approach to actively contribute to and support a positive and professional work environment.

All staff are encouraged to take responsibility for professional development, to raise any integrity concerns, to identify ways to improve how things are done, to actively participate in team meetings and performance management, and to develop partnerships with the community.

Ethical responsibilities

Upon induction, and on regular intervals, staff receive briefings and/or training to ensure they understand their ethical responsibilities in the workplace. This includes their obligation to report improper conduct, misconduct and corruption, and the requirement to disclose conflicts of interest, secondary employment, the receipt of gifts and benefits, and any association with organisations who conduct business in the Town, or in a district adjoining the Town.

2.2 Model and embody a culture of integrity

A culture of integrity exists and is reinforced and communicated by leaders.

“Managers demonstrate integrity and professionalism, and serve as important role models in the organisation. Managers lead by example and take responsibility for building a professional and respectful workplace. They are motivated by public rather than private interests, and inspire a willingness in others to act ethically. Managers understand the strategic benefits of workplace integrity – and its relevance to the organisation’s capability to achieve its objectives, to resist misconduct, and to retain quality people. Professional managers enjoy the trust and confidence of staff”.

Lead by example

The Executive Management Team (EMT) have taken responsibility for leading the ethical tone of the Town to build a professional and respectful workplace. The EMT communicate to the other members of the Town, on ethical conduct and integrity issues whilst modelling the expected standards of behaviour. This demonstrates the Town’s commitment to our values and is consistent with the level of professional leadership that is expected.



Clear expectations

Expectations are discussed with all new staff during their onboarding with the Town. This includes their roles and responsibilities, expectations and professional standards. This is reinforced with new staff through the Town's online induction program and at any probation review meeting and with existing staff during the performance review process.

Decision making

Ethical leadership is characterised by transparency and accountability in the decisions that are made. Decision making is timely and based on consideration of the public value. Decisions are fair, unbiased and able to withstand public scrutiny.

Communicate with staff

The Town uses a number of forums to communicate regularly with staff about ethical conduct, integrity and performance. This includes regular staff or operational meetings, leadership meetings, and an 'all of staff' meetings. In addition, regular communications are distributed to staff via email.

Value staff

Staff are regularly reminded about the positive and important contribution they make to the community, and how their individual conduct helps to build and maintain community partnerships.

2.3 Learn and develop integrity knowledge and skills

Individual and authority integrity knowledge, skills and competence are grown.

"Managers are proactive in their management of staff and monitor staff performance by making use of a range of resources available to them. Effective managers know their staff and how they carry out their duties. They support the professional development of staff, and foster a continuous learning environment. Managers do not shy away from difficult discussions about staff performance, well being or integrity concerns. They take appropriate action when needed in the interests of the staff member, their colleagues, the organisation, and the wider community."

Management tools

The Town uses a number of resources to manage staff, monitor team performance, build group cohesion and set the strategic direction. For example, The Town's Performance Management Framework outlines how the Town systematically manages employee performance to ensure performance standards are met and outcomes support the achievement of the Town's vision. This includes a Performance Management Guide, and a checklist for employees, supervisors and managers.

The Town also has a focus on supporting and encouraging effective leadership and people management so that employees are positioned to realise their full potential. Therefore, the Town runs a series of targeted learning and development experiences throughout the year. Providing meaningful and relevant Learning and Development opportunities to continually develop the skills and knowledge of our employees is important to the Town.

Knowing our staff

The Town values the contribution of all employees and understands the workforce is one of our most valuable resources. Employee performance is critical to the delivery of high quality services to the community and the Town's overall success and sustainability. Therefore, the Town uses a robust recruitment framework to ensure that the right people are selected for the right jobs. This includes having correct policies and management practices in place, reference checks are completed, conflict of interest declarations are sought and police clearances are obtained for identified positions.

Performance review processes are also undertaken every year with each employee.

Complaint Management

The Town recognises that complaints provide a valuable source of feedback on the performance of our functions and that this is of value to our customers. The Town values complaints as they provide feedback on our operations which allows us to continuously improve. This includes identifying trends in behaviours, helping to identify poor performance, training deficiencies or misconduct and to help identify any weaknesses in internal controls.

Identifying potential issues

The Town priorities the health and wellbeing of staff and run regular health and wellness programs to support this such as offering flu vaccinations, skin checks, hearing checks etc. The Town has also recently subscribed to a health and wellness platform (LifeWorks), which offers significant health and wellness resources to staff. The Town offer access to an EAP to all staff (permanent and casual), including any member of their immediate family. The EAP offers 24/7 access to confidential services including counselling (6 sessions per issue with unlimited issues per annum) and work life services (legal/financial guidance). Services can be accessed via a 24/7 number and then via face to face, telephone, or Skype/Zoom sessions.

2.4 Be accountable for integrity

Prevention, detection and response to integrity matters are everyone's personal and professional responsibility.

"Staff accept their responsibility to report misconduct. They are familiar with the reporting process and are confident that something will be done about the matter. Staff are supported in the workplace, and know they can make reports without fear of intimidation, reprisal or pressure from others not to do so. A strong internal reporting culture serves to maintain high professional standards within the organisation, and contribute to its continuous improvement. Integrity concerns are managed in the interests of the individual, the organisation, and the public".

Act to prevent

Acting with integrity means that staff must act with honesty and with moral strength and courage. The Town fosters and supports an environment where staff feel comfortable to speak up and intervene when needed. This includes encouraging staff to prevent colleagues from making poor or unethical decisions, providing constructive feedback on their conduct or performance, and eliminating negative or destabilising influences in the workplace.

Shared responsibility

All staff have a responsibility to ensure the ethical health and professional standards of the workplace are upheld. This includes staff having the courage to raise integrity concerns with colleagues, to report improper conduct and to support colleagues. The Town supports and maintains a safe reporting environment in which staff feel confident to report any integrity concerns.

Enable reporting

The Town has a number of processes and procedures in place to encourage and enable reporting of integrity concerns. This includes a grievance process, Public Interest Disclosures and the ability to raise concerns with supervisors and managers. Other external avenues for staff to report integrity concerns include the Public Sector Commission, the Corruption and Crime Commission and WA Police.

Reinforce policies

Staff are regularly consulted to review and update workplace policies and management practices. The Town conducts an annual policy review process and invites comments from affected stakeholders prior to the policy being presented to Council for endorsement. All policies and management practices are well documented, reviewed and made available to all staff on the intranet.

Audits and risk assessments

The Town engages Auditors to conduct regular workplace audits to ensure that staff are complying with their obligations under organisational policies, and that procedures in relation to risk management areas are being adhered to. In addition, the Office of the Auditor General also conducts audits to ensure the Town's processes are consistent with good practice. The Town also has a robust risk management framework to assess risks in the workplace. The Risk Register identifies potential risks, prioritise these risks, and implement ways to minimise or prevent the risk from eventuating. Audit reports and risk matters are presented to the Audit Committee prior to being adopted by Council.

PART 3: MEASURES OF SUCCESS

To know how the Town is progressing towards building and sustaining a high integrity culture across the organisation, we need to be able to measure and evaluate our processes.

3.1 Signs of success

The Public Sector Commission has provided the following signs of success for public authorities:

- Public authority has implemented or exceeded the requirements of the **integrity framework**
- **Commission evaluation and benchmarking tools indicate the public authority is well positioned in regards to governance, culture, education and accountability**
- **Survey data shows high staff perception of integrity in the public authority**
- **Survey data shows staff have a good understanding of policies, procedures and ethical codes**
- Training and information sessions related to integrity are well attended
- **Time taken to resolve integrity matters is reasonable and results in improvements where necessary**
- Evaluations of reports to integrity bodies indicates reports are timely
- Responses to integrity matters and results of reviews and audits are **considered and implemented.**

3.2 Corporate objectives

For the Town's Integrity Framework to be successful, the following corporate objectives are embedded within our normal business processes:

1. Integrity matters are incorporated into all aspects of the business as a standing item.
2. Integrity risks are incorporated into the Town's Risk Register and are constantly monitored and reviewed.
3. Integrity checks are conducted as a normal recruitment process.
4. Regular networking opportunities with other local governments and public organisations on integrity matters.
5. Integrity reporting processes are advertised and encouraged.
6. The roles and responsibilities of leadership team is to include a focus on integrity management.
7. The Town is committed to learn from internal and external reports on integrity management.

3.3 Corporate documents

The Town will continue to review and amend our suite of corporate documents relating to integrity management. This includes:

- Town of East Fremantle Code of Conduct
- Town of East Fremantle Policies
- Town of East Fremantle Management Practices
- Public Interest Disclosures
- Freedom of Information Register
- Delegations
- Authorisations
- Risk Management Register
- Complaint Register
- Gifts & Benefits Register

3.4 Training and development

The Town is committed to ensuring our staff are afforded the correct training and development opportunities to undertake their role. Training includes:

- Integrity management
- Policies, procedures and systems
- Procurement training
- Code of Conduct
- Public Interest Disclosure
- Accountable and Ethical Decision Making (AEDM training)

3.5 Review and monitor

The Town regularly reviews and monitors our internal processes and systems to ensure they are meeting the needs of the organisation, the community and stakeholders. The following areas are routinely monitored and reviewed:

- Consultation process
- Delegations and authorisations
- Systems and processes through software detection applications
- Assessments of vulnerable areas such as finance and procurement
- Measuring staff conduct and attitudes
- Evaluation of integrity awareness

APPENDIX – Integrity Snapshot Tool

The snapshot tool supports the Integrity Strategy for WA Public Authorities 2020-23. It gives public authorities a clear view of what they have in place to support integrity, and can help them identify areas for development or more focus that should feature in their planning. The snapshot tool is not meant to be an exhaustive list of things to consider and should be used by public authorities in a manner that best suits their contexts. It is not intended to replace more detailed or specific risk management activities.

The tool can:

- help public authorities evaluate their approaches to promoting integrity and reducing misconduct risks
- identify any gaps in the current approaches to integrity by public authorities that could be actioned.

01 Plan and act to improve integrity

Effective governance systems and frameworks are established.

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
has developed and implemented a Code of Conduct that sets out its standards of conduct and integrity, and incorporates code requirements into policies and procedures to reinforce conduct expectations <i>For public sector agencies, the Code of Conduct should reflect Commissioner's Instruction No. 7: Code of Ethics, and comply with Commissioner's Instruction No.8: Codes of Conduct and Integrity Training.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has identified its integrity risks considering its work and operating context, and records those risks (e.g. in a risk register, fraud and corruption control plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
enacts controls to address identified risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
identifies and links policies that relate to risks to ensure they have consistent principles and objectives, and are clear and easy to follow (e.g. fraud and corruption, use of public resources, record keeping and use of information, conflicts of interest, gifts and benefits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has an organisation structure that provides clear lines of accountability and responsibility for integrity and misconduct functions (including the role of leaders and managers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has documented delegation schedules in place that align to organisation structure and legislative obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
reviews delegation schedules regularly to ensure they remain current and operate with appropriate levels of authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

01 Plan and act to improve integrity (continued)

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
has a position, team or committee with documented responsibility to consider findings and recommendations from integrity audits, assessments, reviews and investigations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
assigns accountability and responsibility for monitoring and oversighting risks and controls (e.g. in authority's structure, job descriptions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has an internal audit committee with an independent chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
uses tools and templates provided by the Commission or other sources to support its approach to managing integrity risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a process to review regularly its integrity risk profile to ensure it is responsive to emerging risks and recommendations made by integrity bodies (e.g. policy and practice review, process improvements)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
evaluates and refines any processes, systems and controls that are in place or may be introduced to inform its detection and prevention of irregularities and corrupt practice (e.g. detection software, data analytics)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
conducts regular assessments of business areas and functions that are, or may be, vulnerable to integrity risks (e.g. procurement and contracting; use of and access to confidential information; recruitment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
connects and collaborates with other authorities to seek or share expertise and advice on integrity matters (e.g. conducting investigations, policy development and process improvements)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

02 Model and embody a culture of integrity

A culture of integrity exists, and is reinforced and communicated by leaders.

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
has values that include integrity integrated into all aspects of its business (e.g. in policies, processes and systems)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
promotes integrity in and outside the authority (e.g. website, publications, staff newsletters, division meetings, annual reports and everyday practices)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has leaders who role model integrity and demonstrate zero tolerance for breaches of ethical codes and misconduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a consultation mechanism to engage with and involve staff when reviewing integrity policies, procedures and information to gain shared commitment and understanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has human resource policies and practices that reflect a commitment to recruiting staff who demonstrate a strong alignment to its values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ensures recruitment materials include information on values and conduct expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
conducts integrity checking, including qualification and employment history checks, as a normal part of selection and recruitment practices, particularly for positions of trust (e.g. integrity officers, finance and procurement staff)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
uses staff performance processes to discuss and reinforce its values and conduct expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
measures staff confidence and attitudes about its integrity, including confidence in speaking up about misconduct and integrity matters (e.g. through staff perception surveys) and identifies steps to address any findings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Model and embody a culture of integrity (continued)

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
has staff formally acknowledge that they have read its code of conduct at appointment/induction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
encourages staff to report misconduct (e.g. in policies, codes of conduct, staff communication)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
makes information available about public interest disclosure processes and other reporting mechanisms to staff and stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has reporting policies or codes in place that includes a statement that reprisal action is not tolerated against those who speak up about misconduct and integrity matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

03 Learn and develop integrity knowledge and skills

Individual and authority integrity knowledge, skills and competence are grown.

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
ensures integrity training programs are up to date (e.g. reflects its code, legislative and policy requirements)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
maintains records of staff who attend induction and integrity training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
follows up with staff where necessary to ensure learnings from integrity training are embedded	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a process for communicating with staff about integrity matters including updating them about changes to policies, processes and systems (e.g. through newsletters, emails, meetings)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a formal induction process in place for all new staff and contractors that includes a clear focus on integrity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
delivers Accountable and Ethical Decision Making (AEDM) training (or equivalent) and refresher training to staff that:				
• is aligned to its Code of Conduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• is customised to its context and business, and covers its specific integrity risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• is up to date and reflects changes to systems and processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• includes information on its integrity framework, policies, processes and systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• includes information on how to recognise, respond to and report misconduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• records attendance and completion rates which can be provided to the Commission and other integrity bodies as required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

03 Learn and develop integrity knowledge and skills (continued)

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
provides specific integrity training to staff working in high risk roles (e.g. finance, procurement, integrity) in relation to fraud and corruption, accountability requirements and reporting suspected misconduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
evaluates staff awareness of its integrity requirements (e.g. through staff perception surveys) and acts on any knowledge deficits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
encourages, supports and provides a mechanism for staff to seek advice on integrity matters when they are unsure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
makes staff aware of the process of identifying integrity risks and contributing to the risk register	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ensures staff who respond to and investigate integrity matters are suitably skilled (e.g. have Certificate IV in Government Investigations or higher qualification and/or relevant experience)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
exercises due diligence when engaging contractors to deal with integrity matters to ensure they have the necessary qualifications, skills and/or experience (e.g. through reference and qualification checks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
seeks opportunities for further learning about integrity matters by identifying key staff to attend events and forums provided by the Commission and other bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
establishes networks with other integrity practitioners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

04 Be accountable for integrity

Prevention, detection and response to integrity matters are everyone's personal and professional responsibilities.

	In place	In progress	Not in place	Proposed actions and comments
Assess if your authority:				
has a clear and documented process to assess potential misconduct that guides decision making about when to notify the Public Sector Commission and Corruption and Crime Commission of minor misconduct and serious misconduct (respectively), using their online reporting tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
articulates the roles and responsibilities of the leadership team in overseeing integrity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a documented and active process to review and learn from internal and external reports, including focusing on individual conduct as well as system, cultural and capability weaknesses that may have provided the opportunity for misconduct to occur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
monitors, reviews and addresses its approach to changing and emerging risks (e.g. due to restructure, introduction of technology and legislative change) and ensures: <ul style="list-style-type: none"> a new integrity risk assessment is completed its risk register is updated internal policies, processes and systems are updated to reflect the new operating context 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
collected data is analysed and reported to the leadership team (e.g. reports of integrity breaches, complaints, grievances, staff survey results, training records, conflicts of interest, gifts and benefits register)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has integrity as a standing agenda item for its leadership team to provide a forum to interrogate data, and identify and respond to emerging trends (e.g. data about breaches of Code of Conduct or policy, allegations of misconduct, complaints received, and recommendations from self-assessments and audits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

10.5 MID YEAR BUDGET REVIEW

Report Reference Number	ACR-402
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting date	Wednesday, 1 March 2023
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	

1. Mid-Year Budget Review including Forecast Statement of Financial Activity as at 30 June 2023 and Supporting Schedules
2. Neighbourhood Link Vehicles Review 2023
3. **Updated Cost Estimate – Fremantle Women’s Football Club Building (Confidential)**

PURPOSE

Council considered the 2022/23 budget review at its Ordinary Meeting of 21 February 2023. Traditionally, the budget review would be presented to the Audit Committee prior to the Council Meeting, however the respective meeting schedules precluded this from occurring.

EXECUTIVE SUMMARY

The Local Government (Financial Management) Regulations 1996, regulation 33A, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

Forecasts for the 30 June 2023 have been assigned to all general ledger accounts, resulting in a balanced budget (forecast surplus of nil). This compares to an original budget surplus of nil and a current budget surplus of \$9,711

BACKGROUND

A budget review was undertaken during January 2023 based on the December 2022 financial statements in accordance with the requirements of the Local Government (Financial Management) Regulation 33A.

In discussing proposed budget amendments, recommended budget variations are categorised as either Favourable, Unfavourable or Contra. This status relates to their impact on the Town’s net current asset position. As an example, a project that is fully funded by grants or reserves would generally be a contra entry – that is, it will have a nil impact on net current assets as the expenditure is fully supported by specific source funding.

The balance of net current assets is a key indicator of the Town’s ability to meet its debts and obligations as and when they fall due, and its financial flexibility in responding to opportunities, such as dollar for dollar grants, as and when required.

CONSULTATION

Budget Managers
Executive Leadership Team – Workshop 2nd February 2022

Ordinary Council Meeting 21 February 2023

STATUTORY ENVIRONMENT

Regulation 33A (Review of Budget) of the Local Government (Financial Management) Regulations 1996, as amended, requires the local government to carry out a review of its annual budget between 1 January and 31 March each year as follows:

33A. Review of budget

- (1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
 - (2A) *The review of an annual budget for a financial year must —*
 - (a) *consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
 - (b) *consider the local government’s financial position as at the date of the review; and*
 - (c) *review the outcomes for the end of that financial year that are forecast in the budget.*
 - (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
 - (3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*
- *Absolute majority required.*
- (4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

POLICY IMPLICATIONS

Significant Accounting Policies are adopted by Council on an annual basis. These policies are used in the preparation of the statutory reports submitted to Council.

FINANCIAL IMPLICATIONS

Material variances are disclosed in the Statement of Financial Activity.

In adopting the 2022/23 Municipal Budget, Council adopted the following thresholds as levels of material variances for financial reporting.

In accordance with regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2022/23 for reporting material variances shall be:

- (a) *10% of the amended budget; or*
- (b) *\$10,000 of the amended budget.*

whichever is greater. In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

STRATEGIC IMPLICATIONS

Strategic Priority 5: Leadership and Governance is applicable from the Town’s Strategic Community Plan 2020-30.

5.3.1 Deliver community outcomes through sustainable finance and human resource management.

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not approve the schedule of budget variations impacting service delivery	Rare (1)	Moderate (3)	Low (1-4)	SERVICE INTERRUPTION Prolonged interruption of services - additional resources; performance affected <1 month	Accept Officer Recommendation

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Likelihood						
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	3
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable.

COMMENT

In constructing the mid-year budget review, forecasts for the 30 June 2023 have been assigned to all accounts and are being reported in the Statement of Financial Activity by Nature and Type at a summary level. A copy of the Forecast Statement of Financial Activity by Nature and Type is provided below:

TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 December 2022

	Note	Annual Budget -		Amended YTD Budget (a)	YTD Actual (b)	Forecast 30 June 2023
		Synergy	Current Budget			
Opening Funding Surplus (Deficit)	3	517,692	517,692	517,692	512,823	512,823
Revenue from operating activities						
Rates	9	8,660,135	8,660,135	8,650,137	8,658,887	8,660,135
Operating grants, subsidies and contributions		907,014	970,110	733,743	632,153	1,009,737
Fees and Charges		1,442,358	1,442,358	908,636	896,899	1,492,976
Interest Earnings		98,000	98,000	48,996	127,289	338,000
Other Revenue		27,170	27,170	13,584	6,502	27,170
Profit on asset disposals	8	487,693	487,693	487,693	422,877	487,693
		11,622,370	11,685,466	10,842,789	10,744,607	12,015,711
Expenditure from operating activities						
Employee Costs		(4,736,197)	(4,736,197)	(2,412,005)	(2,352,831)	(4,746,197)
Materials and Contracts		(4,028,396)	(4,081,721)	(2,119,086)	(1,984,643)	(4,115,471)
Utility Charges		(259,034)	(259,034)	(129,558)	(84,672)	(259,034)
Depreciation on Non-Current Assets		(2,103,440)	(2,103,440)	(1,051,728)	(844,884)	(2,103,440)
Interest Expenses		(16,250)	(16,250)	(8,130)	(1,440)	(16,250)
Insurance Expenses		(228,901)	(228,901)	(228,901)	(220,412)	(228,901)
Other Expenditure		(775,797)	(775,797)	(533,428)	(440,126)	(775,797)
Loss on asset disposals	8	0	0	0	0	0
		(12,148,015)	(12,201,340)	(6,482,836)	(5,929,008)	(12,245,090)
Operating activities excluded from budget						
Add back Depreciation		2,103,440	2,103,440	1,051,728	844,884	2,103,440
Adjust (Profit)/Loss on Asset Disposal	8	(487,693)	(487,693)	(487,693)	(422,877)	(487,693)
Movement in Deferred Rates		0	0	0	8,609	0
Movement in accrued income (non-current)		(13,922)	(13,922)	(13,922)	0	(13,922)
		1,601,825	1,601,825	550,113	430,616	1,601,825
Amount attributable to operating activities		1,076,180	1,085,951	4,910,066	5,246,214	1,372,446
Investing activities						
Non-operating Grants, Subsidies and Contributions	11	14,099,113	14,299,113	4,958,510	1,582,464	13,168,831
Proceeds from Disposal of Assets	8	1,667,568	2,017,568	2,017,568	1,871,177	2,039,168
Purchase of Property, Plant and Equipment		(14,220,450)	(14,420,450)	(5,406,460)	(1,171,695)	(16,315,984)
Purchase and Construction of Infrastructure		(1,143,127)	(1,143,127)	(571,566)	(580,417)	(1,119,350)
Amount attributable to investing activities		403,104	753,104	998,052	1,701,529	(2,227,335)
Financing Activities						
Transfers from Reserves	7	494,250	494,250	0	0	3,522,868
Payments for principal portion of lease liabilities		(45,000)	(45,000)	(22,500)	(31,455)	(47,892)
Repayment of borrowings	10	(102,000)	(102,000)	(51,000)	(52,660)	(102,000)
Transfers to Reserves	7	(2,344,226)	(2,694,226)	(1,849,999)	(1,856,603)	(3,030,910)
Amount attributable to financing activities		(1,996,976)	(2,346,976)	(1,923,499)	(1,940,718)	342,066
Closing Funding Surplus (Deficit)	3	0	9,771	4,502,311	5,519,848	(0)

The following high-level snapshot of the budget impact of proposed variations on the Statement of Financial Activity is provided:

- Forecast total operating revenue of \$12,015,711 versus amended budget of \$11,685,466 (favourable variance of \$330,245).
- Forecast total operating expenditure of \$12,245,090 versus amended budget of \$12,201,340 (unfavourable variance of \$43,750).
- Forecast total capital expenditure of \$17,435,334 versus amended budget of \$15,563,577 (increase of \$1,871,757)
- Forecast non-operating grants and contributions of \$13,168,831 versus amended budget of \$14,299,113 (decrease of \$1,130,282).
- Forecast transfers from reserve of \$3,522,868 versus amended budget of \$494,250.

- Forecast transfer to reserves of \$3,030,910 versus amended budget of \$2,694,226.

An itemised schedule of budget variations is included on page 3 of the attached report and is included in the Officer's Recommendation for approval. The major changes relate to the capital expenditure forecast for the EF Oval Redevelopment Project, and the financing of this project from non-operating grants and cash-backed reserves. These accounting estimates and treatments are discussed in detail in a separate report to Council.

A revised cost estimate has also been prepared for the Fremantle Women's Football Club Building Project – refer attachment 3. This project now requires \$80k funding from the Town and it is proposed that this be funded from the Preston Point Facilities Reserve, with a reserve purpose of funding projects within this precinct.

An additional paper is also attached for Council information discussing vehicle requirements to support the delivery of the Neighbourhood Link Service. The recommended bus disposal and vehicle acquisition has nil impact on the budget position as the proposed purchases (\$42k) is funded from the sale of the bus (\$30k – valuation obtained) and transfer from Reserve (\$12k).

A small budget surplus of \$86,684 did arise from the mid-year budget review however it is recommended that this funding be transferred to the Strategic Waste Reserve to part fund equity payments to the Cities of Canning and Cockburn (due by 31 December 2023) attributable to the Town's proportional share of the liabilities of the Resource Recovery Group (Town's share circa \$330k).

CONCLUSION

The mid-year budget review results in a forecast balanced budget at 30 June 2023. The achievement of this forecast budget result is dependent on the full delivery of budgeted services and programs (including clearance of capital works) and realizing all budgeted income.

10.5 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 050203

OFFICER RECOMMENDATION

Moved Cr Donovan, seconded Cr Wilson

That the Audit Committee:

- 1. Receive the mid-year 2022/23 budget review as presented including the Forecast Statement of Financial Activity by Nature and Type which shows a nil surplus at 30 June 2023.**
- 2. Note the following schedule of approved budget amendments, resulting in an unfavourable decrease in net current assets of (\$9,771) (from a current budget forecast surplus of \$9,771 to a forecast surplus of nil):**

Account Number	Description	Current Budget	Forecast	Increase / (Decrease in Funding Position)	Comment
	Opening Funding Position	517,692.00	512,823.00	-4,869.00	Forecast as per audited statements
	Operating Grants - \$39,627 (F)				
11177.140	DBCA/Foreshore Erosion Funding	75,000.00	114,627.00	39,627.00	Swan Yacht Club Contribution of \$39,627
	Fees and Charges - \$50,618 (F)				
10801.130	Sundry Income CHSP	104,500.00	130,000.00	25,500.00	Improved performance CHSP services
10803.130	In Home Respite Income CHSP	7,700.00	25,000.00	17,300.00	
10804.130	Transport Income CHSP	13,200.00	5,000.00	-8,200.00	
10088.130	Development Application Income	72,100.00	100,000.00	27,900.00	Increased activity
11191.130	Leeuwin Hall	1,607.00	5,000.00	3,393.00	Reimbursements
14085.130	Rental Income 128 George Street	27,000.00	11,725.00	-15,275.00	Property Sold
	Interest Earnings - \$240,000 (F)				
1689.160	Interest Earnings - Reserves	30,000.00	280,000.00	250,000.00	Higher interest rate environment/increased investments
103188.160	Interest Earnings - Municipal Funds	10,000.00	0.00	-10,000.00	Recommended all interest be allocated to EF Oval Redevelopment Reserve
	Employee Costs - (\$10,000) (U)				
E04245.312	Staff Training and Conferences	-30,600.00	-40,600.00	-10,000.00	Increased training and development
	Materials and Contracts - (\$33,750) (U)				
E04258.500	Refreshments and Receptions	-48,450.00	-58,450.00	-10,000.00	Additional budget required
E10204.500	Annual Bulk and Green Waste Pick Up	-89,250.00	-95,000.00	-5,750.00	Additional tonnages
E14451.500	Selling Costs - 128 George Street	0.00	-33,000.00	-33,000.00	New Budget
E09201.500	Allen St Property Maintenance	-15,000.00	-30,000.00	-15,000.00	Additional maintenance requirements due to aged condition
E10267.500	Mooring Pen and Jetty Maintenance	-70,000.00	-50,000.00	20,000.00	Reduced pylon replacement/repairs
E11270.500	Niergarup Track	-10,000.00	-20,000.00	-10,000.00	Additional works
E12234.500	Service Contracts - Street Sweeping	-70,000.00	-50,000.00	20,000.00	Reduced scope
	Non-Operating Grants - (\$1,130,282) (U)				
111160.141	EF Oval Redevelopment Grant	13,000,000.00	11,080,151.00	-1,919,849.00	Adjust to 75% of capex due to new accounting treatment
111165.141	Lottery/West Grant	0.00	672,530.00	672,530.00	1st instalment
111206.141	Fremantle Soccer Club Grant/Cont.	890,000.00	920,000.00	30,000.00	\$800k State Govt + \$120k Soccer Club
12042.141	LRCIP Funding	168,362.00	255,399.00	87,037.00	Remaining funding Phase 1 & 2. Annual reports to be acquitted
	Proceeds from Disposal of Assets - \$21,600 (F)				
	Asset Disposal Schedule	2,017,568.00	2,039,168.00	21,600.00	Sale of PEMV242 (\$30k) less deferment of sale of PEMV236 (\$8,400)
	Property, Plant and Equipment - (\$1,895,534) (U)				
E11739.430	Fremantle Womens Soccer Club Building	-890,000.00	-1,000,000.00	-110,000.00	Revised cost estimate
E11715.430	EF Oval Redevelopment Project	-13,000,000.00	-14,773,534.00	-1,773,534.00	As per Updated Cashflow Forecast
E08607.430	Light Vehicles - CHSP	0.00	-42,000.00	-42,000.00	As per CHSP Vehicle Assessment Paper
E11716.430	Plant and Equipment - Other Rec and Sport	-56,000.00	-41,000.00	15,000.00	PEMV236 not being replaced
E14605.430	Building Renewals	-80,000.00	-65,000.00	15,000.00	Funding reallocated to Allen St Properties
	Infrastructure - \$23,777 (F)				
E11724.430	EFLTC Lighting Upgrade	0.00	-16,223.00	-16,223.00	As per Funding Agreement endorsed by Council
E11740.430	Turf -Wauhop Park	-150,000.00	-110,000.00	40,000.00	Project saving
	Transfer from Reserves - \$3,028,618 (F)				
345.810	Transfer from Aged Services Reserve	0.00	11,803.00	11,803.00	Net funding of vehicle changeover
2428.810	Transfer from EF Oval Redevelopment Reserve	0.00	2,976,442.00	2,976,442.00	As per separate agenda item to Council
2430.810	Transfer from Foreshore Management Reserve	170,000.00	130,373.00	-39,627.00	Decrease due to contribution from Swan Yacht Club
2429.810	Transfer from Preston Point Facilities Reserve	0.00	80,000.00	80,000.00	Town contribution to Fremantle Soccer Club Project
	Lease Liabilities - (\$2,892) (U)				
E11730.436	Seabed Lease	-45,000.00	-47,892.00	-2,892.00	CPI Increase
	Transfer to Reserves - (\$336,684) (U)				
2439.830	Transfer to Strategic Waste Reserve	-60,000.00	-146,684.00	-86,684.00	Transfer mid year surplus to Strategic Waste Reserve to part fund exit payments to Cities of Canning and Cockburn due 31 Dec 2023
2421.830	Transfer to EF Oval Redevelopment Reserve	-1,650,272.00	-1,900,272.00	-250,000.00	Additional interest on investments
				-9,771.00	Change in Closing Net Funding Position

(CARRIED UNANIMOUSLY)

REPORT ATTACHMENTS

Attachments start on the next page

TOWN OF EAST FREMANTLE
MID YEAR BUDGET REVIEW
(Containing the Forecast Statement of Financial Activity)
For the Period Ended 31 December 2022

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

Forecast Statement of Financial Activity By Nature or Type	2
Note 1 Schedule of Budget Variations	3
Note 2 Capital Works Report	4
Note 3 Cash Backed Reserves Forecast	5
Note 4 Asset Disposals	6
Note 5 Salaries and Wages Report	7
Note 6 Detailed Chart of Accounts	10

**TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 December 2022**

Note	Annual Budget -		Amended	YTD	Forecast 30 June	Var. \$	Var. %	Var.	Variance between Current Budget and Forecast
	Synergy	Current Budget	YTD Budget (a)	Actual (b)	2023	(b)-(a)	(b)-(a)/(a)		
			\$	\$		\$	%		
Opening Funding Surplus (Deficit)	3	517,692	517,692	517,692	512,823	512,823	(4,869)	(1%)	(4,869)
Revenue from operating activities									
Rates	9	8,660,135	8,660,135	8,650,137	8,658,887	8,660,135	8,750	0%	0
Operating grants, subsidies and contributions		907,014	970,110	733,743	632,153	1,009,737	(101,590)	(14%)	▼ 39,627
Fees and Charges		1,442,358	1,442,358	908,636	896,899	1,492,976	(11,737)	(1%)	▼ 50,618
Interest Earnings		98,000	98,000	48,996	127,289	338,000	78,293	160%	▲ 240,000
Other Revenue		27,170	27,170	13,584	6,502	27,170	(7,082)	(52%)	▼ 0
Profit on asset disposals	8	487,693	487,693	487,693	422,877	487,693	(64,816)	(13%)	▼ 0
		11,622,370	11,685,466	10,842,789	10,744,607	12,015,711			330,245
Expenditure from operating activities									
Employee Costs		(4,736,197)	(4,736,197)	(2,412,005)	(2,352,831)	(4,746,197)	59,174	2%	(10,000)
Materials and Contracts		(4,028,396)	(4,081,721)	(2,119,086)	(1,984,643)	(4,115,471)	134,443	6%	(33,750)
Utility Charges		(259,034)	(259,034)	(129,558)	(84,672)	(259,034)	44,886	35%	▲ 0
Depreciation on Non-Current Assets		(2,103,440)	(2,103,440)	(1,051,728)	(844,884)	(2,103,440)	206,844	20%	▲ 0
Interest Expenses		(16,250)	(16,250)	(8,130)	(1,440)	(16,250)	6,690	82%	▲ 0
Insurance Expenses		(228,901)	(228,901)	(228,901)	(220,412)	(228,901)	8,489	4%	▲ 0
Other Expenditure		(775,797)	(775,797)	(533,428)	(440,126)	(775,797)	93,302	17%	▲ 0
Loss on asset disposals	8	0	0	0	0	0	0		0
		(12,148,015)	(12,201,340)	(6,482,836)	(5,929,008)	(12,245,090)			(43,750)
Operating activities excluded from budget									
Add back Depreciation		2,103,440	2,103,440	1,051,728	844,884	2,103,440	(206,844)	(20%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(487,693)	(487,693)	(487,693)	(422,877)	(487,693)	64,816	(13%)	
Movement in Deferred Rates		0	0	0	8,609	8,609			
Movement in accrued income (non-current)		(13,922)	(13,922)	(13,922)	0	(13,922)			
		1,601,825	1,601,825	550,113	430,616	1,601,825	(133,419)	(22%)	
Amount attributable to operating activities		1,076,180	1,085,951	4,910,066	5,246,214	1,372,446			
Investing activities									
Non-operating Grants, Subsidies and Contributions	11	14,099,113	14,299,113	4,958,510	1,582,464	13,168,831	(3,376,046)	(68%)	▼ (1,130,282)
Proceeds from Disposal of Assets	8	1,667,568	2,017,568	2,017,568	1,871,177	2,039,168	(146,391)	(7%)	▼ 21,600
Purchase of Property, Plant and Equipment		(14,220,450)	(14,420,450)	(5,406,460)	(1,171,695)	(16,315,984)	4,234,765	78%	▲ (1,895,534)
Purchase and Construction of Infrastructure		(1,143,127)	(1,143,127)	(571,566)	(580,417)	(1,119,350)	(8,851)	(2%)	▼ 23,777
		403,104	753,104	998,052	1,701,529	(2,227,335)			(2,980,439)
Financing Activities									
Transfers from Reserves	7	494,250	494,250	0	0	3,522,868	0		3,028,618
Payments for principal portion of lease liabilities		(45,000)	(45,000)	(22,500)	(31,455)	(47,892)	(8,955)	(40%)	(2,892)
Repayment of borrowings	10	(102,000)	(102,000)	(51,000)	(52,660)	(102,000)	(1,660)	(3%)	0
Transfers to Reserves	7	(2,344,226)	(2,694,226)	(1,849,999)	(1,856,603)	(3,030,910)	(6,604)	(0%)	(336,684)
		(1,996,976)	(2,346,976)	(1,923,499)	(1,940,718)	342,066			2,689,042
Closing Funding Surplus (Deficit)	3	0	9,771	4,502,311	5,519,848	(0)	1,017,537	23%	▲ (9,771)

Account Number	Description	Current Budget	Forecast	Increase / (Decrease in Funding Position)	Comment
	Opening Funding Position	517,692.00	512,823.00	-4,869.00	Forecast as per audited statements
	Operating Grants - \$39,627 (F)				
I11177.140	DBCA/Foreshore Erosion Funding	75,000.00	114,627.00	39,627.00	Swan Yacht Club Contribution of \$39,627
	Fees and Charges - \$50,618 (F)				
I08081.130	Sundry Income CHSP	104,500.00	130,000.00	25,500.00	Improved performance CHSP services
I08083.130	In Home Respite Income CHSP	7,700.00	25,000.00	17,300.00	
I08094.130	Transport Income CHSP	13,200.00	5,000.00	-8,200.00	
I10088.130	Development Application Income	72,100.00	100,000.00	27,900.00	Increased activity
I11191.130	Leeuwin Hall	1,607.00	5,000.00	3,393.00	Reimbursements
I14085.130	Rental Income 128 George Street	27,000.00	11,725.00	-15,275.00	Property Sold
	Interest Earnings - \$240,000 (F)				
1689.160	Interest Earnings - Reserves	30,000.00	280,000.00	250,000.00	Higher interest rate environment/increased investments
I03188.160	Interest Earnings - Municipal Funds	10,000.00	0.00	-10,000.00	Recommended all interest be allocated to EF Oval Redevelopment Reserve
	Employee Costs - (\$10,000) (U)				
E04245.312	Staff Training and Conferences	-30,600.00	-40,600.00	-10,000.00	Increased training and development
	Materials and Contracts - (\$33,750) (U)				
E04258.500	Refreshments and Receptions	-48,450.00	-58,450.00	-10,000.00	Additional budget required
E10204.500	Annual Bulk and Green Waste Pick Up	-89,250.00	-95,000.00	-5,750.00	Additional tonnages
E14451.500	Selling Costs - 128 George Street	0.00	-33,000.00	-33,000.00	New Budget
E09201.500	Allen St Property Maintenance	-15,000.00	-30,000.00	-15,000.00	Additional maintenace requirements due to aged condition
E10267.500	Mooring Pen and Jetty Maintenance	-70,000.00	-50,000.00	20,000.00	Reduced pylon replacement/repairs
E11270.500	Niergarup Track	-10,000.00	-20,000.00	-10,000.00	Additional works
E12234.500	Service Contracts - Street Sweeping	-70,000.00	-50,000.00	20,000.00	Reduced scope
	Non-Operating Grants - (\$1,130,282) (U)				
I11160.141	EF Oval Redevelopment Grant	13,000,000.00	11,080,151.00	-1,919,849.00	Adjust to 75% of capex due to new accounting treatment
I11165.141	LotteryWest Grant	0.00	672,530.00	672,530.00	1st instalment
I111206.141	Fremantle Soccer Club Grant/Cont.	890,000.00	920,000.00	30,000.00	\$800k State Govt + \$120k Soccer Club
I12042.141	LRCIP Funding	168,362.00	255,399.00	87,037.00	Remaining funding Phase 1 & 2. Annual reports to be acquitted
	Proceeds from Disposal of Assets - \$21,600 (F)				
	Asset Disposal Schedule	2,017,568.00	2,039,168.00	21,600.00	Sale of PEMV242 (\$30k) less deferment of sale of PEMV236 (\$8,400)
	Property, Plant and Equipment - (\$1,895,534) (U)				
E11739.430	Fremantle Womens Soccer Club Building	-890,000.00	-1,000,000.00	-110,000.00	Revised cost estimate
E11715.430	EF Oval Redevelopment Project	-13,000,000.00	-14,773,534.00	-1,773,534.00	As per Updated Cashflow Forecast
E08607.430	Light Vehicles - CHSP	0.00	-42,000.00	-42,000.00	As per CHSP Vehicle Assessment Paper
E11716.430	Plant and Equipment - Other Rec and Sport	-56,000.00	-41,000.00	15,000.00	PEMV236 not being replaced
E14605.430	Building Renewals	-80,000.00	-65,000.00	15,000.00	Funding reallocated to Allen St Properties
	Infrastructure - \$23,777 (F)				
E11724.430	EFLTC Lighting Upgrade	0.00	-16,223.00	-16,223.00	As per Funding Agreement endorsed by Council
E11740.430	Turf -Wauhop Park	-150,000.00	-110,000.00	40,000.00	Project saving
	Transfer from Reserves - \$3,028,618 (F)				
345.810	Transfer from Aged Services Reserve	0.00	11,803.00	11,803.00	Net funding of vehicle changeover
2428.810	Transfer from EF Oval Redevelopment Reserve	0.00	2,976,442.00	2,976,442.00	As per separate agenda item to Council
2430.810	Transfer from Foreshore Management Reserve	170,000.00	130,373.00	-39,627.00	Decrease due to contribution from Swan Yacht Club
2429.810	Transfer from Preston Point Facilities Reserve	0.00	80,000.00	80,000.00	Town contribution to Fremantle Soccer Club Project
	Lease Liabilities - (\$2,892) (U)				
E11730.436	Seabed Lease	-45,000.00	-47,892.00	-2,892.00	CPI Increase
	Transfer to Reserves - (\$336,684) (U)				
2439.830	Transfer to Strategic Waste Reserve	-60,000.00	-146,684.00	-86,684.00	Transfer mid year surplus to Strategic Waste Reserve to part fund exit payments to Cities of Canning and Cockburn due 31 Dec 2023
2421.830	Transfer to EF Oval Redevelopment Reserve	-1,650,272.00	-1,900,272.00	-250,000.00	Additional interest on investments
				-9,771.00	Change in Closing Net Funding Position

TOWN OF EAST FREMANTLE - CAPITAL WORKS REPORT - 31 December 2022

COA/ Job	Description	Budget		YTD Actual	Order Value	Total Actual	Forecast	Indicator	Completion %	Comments
		Original Budget	Amendments							
E04629	Plant & Equipment - Light Fleet - Capex - Renewal - Administration	\$86,200	\$0	\$86,200	\$0	\$0	\$86,200	0%	0%	CEO and EMCS Vehicle
E04635	Capex - New - Ev Charging Station - Town Hall	\$0	\$0	\$0	\$0	\$0	\$0	0%	100%	Works completed Sept 2022
E07405	Plant & Equipment - Light Fleet - Capex - New - Health Inspection & Admin	\$40,000	\$0	\$40,000	\$0	\$0	\$40,000	0%	0%	EHO Vehicle
E08607	Plant & Equipment - Light Fleet - Capex - New - CHSP	\$0	\$0	\$0	\$0	\$0	\$42,000	0%	0%	2 x Hyundai Elantra to replace bus
E10648	Plant & Equipment - Light Fleet - Capex - Renewal - Town Planning & Regional Development	\$40,000	\$0	\$40,000	\$0	\$0	\$40,000	0%	0%	EMRS Vehicle
E11716	Plant & Equipment - Light Fleet - Capex - Renewal - Other Recreation & Sport	\$56,000	\$0	\$56,000	\$0	\$0	\$41,000	0%	0%	Parks Supervisor Ute. Oval and Verges Ute not being replaced
E14609	Plant & Equipment - Light Fleet - Capex - Renewal - Unclassified Property	\$62,000	\$0	\$62,000	\$34,872	\$0	\$34,872	\$62,000	56%	EMTS Vehicle arrived late Oct 2022. Works Ute still awaiting order details.
E11685	Plant and Equipment - Public Art - Capex - New - Other Culture	\$85,000	\$0	\$85,000	\$9,090	\$0	\$9,090	\$85,000	11%	
E11720	Plant & Equipment - Mobile Plant - Capex - Renewal - Other Recreation & Sport	\$30,000	\$0	\$30,000	\$0	\$0	\$30,000	0%	0%	Toro Mower investigation being undertaken for new mower
E11741	Plant & Equipment - Public Art - Capex - New - Other Culture - EF Oval Commemoration Artwork	\$26,250	\$0	\$26,250	\$13,000	\$13,500	\$26,500	\$26,250	50%	
Plant & Equipment		\$425,450	\$0	\$425,450	\$56,962	\$13,500	\$70,462	\$452,450	18%	
E04634	Furniture & Equipment - IT Equipment - Capex - New - Administration	\$25,000	\$0	\$25,000	\$12,777	\$0	\$12,777	\$25,000	51%	Laptop replacement program completed. New copier to be investigated
Furniture & Equipment		\$25,000	\$0	\$25,000	\$12,777	\$0	\$12,777	\$25,000	51%	
E14605	Buildings - Specialised - Capex - Renewal - Unclassified Property	\$80,000	\$0	\$80,000	\$2,407	\$2,185	\$4,592	\$65,000	3%	Building condition assessments being sent to market for prices in Nov 2022
E11738	Buildings - East Fremantle Oval Precinct Redevelopment	\$13,000,000	\$0	\$13,000,000	\$1,080,523	\$809,484	\$1,890,008	\$14,773,534	8%	Updated forecast as per agenda item to Council
E11739	Buildings - Specialised - Capex - Fremantle Women's Football Club	\$890,000	\$0	\$890,000	\$19,026	\$20,034	\$39,060	\$1,000,000	2%	Final design to be send to market for a building Contractor in Nov 2022
Buildings		\$13,970,000	\$0	\$13,970,000	\$1,101,956	\$831,703	\$1,933,660	\$15,838,534	8%	
E11743	Infrastructure - Parks & Ovals - Playground - Various Upgrades	\$30,000	\$0	\$30,000	\$0.00	\$0	\$0	\$30,000	0%	Several playgrounds noted for minor equipment upgrades. Equipment ordered Sept 2022
E11744	Infrastructure - Parks & Ovals - Playgrounds - Nature Playground	\$120,000	\$0	\$120,000	\$125,376	\$0	\$125,376	\$120,000	104%	Nature playground opened Aug 2022, pump track opened October 2022
E11724	Infrastructure - Parks & Ovals - Lighting	\$0	\$0	\$0	\$16,223	\$0	\$16,223	\$16,223	0%	Tennis Club lighting as per Council resolution
E11741	Infrastructure - Parks & Ovals - Retic Upgrades	\$50,000	\$0	\$50,000	\$8,736	\$0	\$8,736	\$50,000	17%	Bore pump and cabinet replacement at Gourley Park in progress, Aug 2022
E11742	Infrastructure - Parks & Ovals - Retic Controllers	\$32,000	\$0	\$32,000	\$0	\$0	\$0	\$32,000	0%	Prices being sought for controllers
E11740	Infrastructure - Parks & Ovals - Turf - Wauhop Oval	\$150,000	\$0	\$150,000	\$61,223	\$71,640	\$132,863	\$110,000	41%	Re-scope undertaken and put back out to market. Works to commence mid-Nov 2022
E11734	Capex - Tricolore - Bbq Replacement	\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$10,000	0%	Goods ordered, waiting delivery
E11735	Capex - Bench Seats - Various Locations	\$15,000	\$0	\$15,000	\$14,609	\$0	\$14,609	\$15,000	97%	Goods ordered, waiting delivery
E11745	Infrastructure - Parks & Ovals - Ancillary - Drink Fountains	\$10,000	\$0	\$10,000	\$3,452	\$7,000	\$10,452	\$10,000	95%	Goods ordered, waiting delivery
E12827	Infrastructure - Car Parks - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	\$15,000	\$0	\$15,000	\$0	\$0	\$0	\$15,000	0%	
E12833	Capex - Drainage Rationalisation - Foreshore	\$100,000	\$0	\$100,000	\$650	\$0	\$650	\$100,000	1%	Works to commence in dryer months, Nov-Feb
E12840	Infrastructure - Roads - Renewal - Marmion St - East St	\$361,127	\$0	\$361,127	\$320,447	\$275,222	\$595,669	\$361,127	89%	Works to commence 14 Nov 2022 and be completed in Dec 2022
E12841	Infrastructure - Footpaths - Renewal - Canning Hwy (Fortescue - Irwin)	\$66,000	\$0	\$66,000	\$1,700	\$54,180	\$55,880	\$66,000	3%	Works postponed to January 2023, with availability of contractor before Christmas an issue.
E12842	Infrastructure - Footpaths - Renewal - Canning Hwy (Irwin - Oakover)	\$80,000	\$0	\$80,000	\$0	\$67,716	\$67,716	\$80,000	0%	Works postponed to January 2023, with availability of contractor before Christmas an issue.
E12843	Infrastructure - Footpaths - Renewal - Petra St (View Tce - Preston Point Rd)	\$68,000	\$0	\$68,000	\$0	\$47,250	\$47,250	\$68,000	0%	Works to commence Nov 2022 and completed in Dec 2022
E12844	Infrastructure - Footpaths - Renewal - George St (East St - Glyde St)	\$36,000	\$0	\$36,000	\$28,000	\$1,330	\$29,330	\$36,000	78%	Works to commence Nov 2022 and completed in Dec 2022
Infrastructure		\$1,143,127	\$0	\$1,143,127	\$580,417	\$524,338	\$1,104,755	\$1,119,350	11%	
		\$15,563,577	\$0	\$15,563,577	\$1,752,112	\$1,369,541	\$3,121,693	\$17,435,334	11%	



TOWN OF EAST FREMANTLE
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 31 December 2022

Name	Opening Balance	Amended Budget Interest Earned	Forecast Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Forecast Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Forecast Budget Transfers Out (-)	Actual Transfers Out (-)	Amended Budget Closing Balance	Forecast Budget Closing Balance	Actual YTD Closing Balance
Non Current Leave Entitlements Reserve	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unspent Grants and Restricted Cash Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle, Plant and Equipment Reserve	50,407	0	0	0	0	0	0	(50,000)	(50,000)	0	407	407	50,407
Aged Services Reserve	11,803	0	0	0	0	0	0	0	(11,803)	0	11,803	(0)	11,803
Strategic Asset Management Reserve	64,920	0	0	0	0	0	0	0	0	0	64,920	64,920	64,920
Arts and Sculpture Reserve	156,772	0	0	0	45,000	45,000	0	(111,250)	(111,250)	0	90,522	90,522	156,772
Waste Reserve	0	0	0	0	35,000	35,000	0	0	0	0	35,000	35,000	0
Committed Works Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Streetscape Reserve	75,000	0	0	0	0	0	0	0	0	0	75,000	75,000	75,000
Drainage Reserve	250,000	0	0	0	0	0	0	(100,000)	(100,000)	0	150,000	150,000	250,000
East Fremantle Oval Redevelopment Reserve	1,076,170	30,000	280,000	0	1,650,272	1,900,272	1,239,936	0	(2,976,442)	0	2,726,442	(0)	2,316,106
Preston Point Facilities Reserve	95,290	0	0	0	50,000	50,000	0	0	(80,000)	0	145,290	65,290	95,290
Foreshore Master Plan Reserve	270,000	0	0	0	0	0	0	(170,000)	(130,373)	0	100,000	139,627	270,000
Sustainability and Environmental Reserve	210,337	0	0	0	129,288	129,288	0	(35,000)	(35,000)	0	304,625	304,625	210,337
Town Planning Reserve	70,000	0	0	0	30,000	30,000	0	0	0	0	100,000	100,000	70,000
Business Improvement Reserve	0	0	0	0	50,000	50,000	0	0	0	0	50,000	50,000	0
Old Police Station Reserve	16,500	0	0	0	28,000	28,000	0	(28,000)	(28,000)	0	16,500	16,500	16,500
Payment in Lieu of Parking Reserve	137,010	0	0	0	0	0	0	0	0	0	137,010	137,010	137,010
Plympton Parking Reserve	0	0	0	0	616,666	616,666	616,667	0	0	0	616,666	616,666	616,667
Strategic Waste Reserve	0	0	0	0	60,000	146,684	0	0	0	0	60,000	146,684	0
Payment in Lieu of Public Open Space Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
	2,484,208	30,000	280,000	0	2,694,226	3,030,910	1,856,603	(494,250)	(3,522,868)	0	4,684,184	1,992,250	4,340,811

Reserve Transfer Rules

Transfer to:

Arts and Sculpture - Annual transfer in of \$45k as per Public Art Strategy
 Waste Reserve - Annual transfer in
 East Fremantle Oval Redevelopment Reserve - as per agenda item to Council
 Preston Point Facilities Reserve - Annual transfer in to fund PPMP
 Sustainability Reserve - Annual transfer in as per Revenue Strategy
 Town Planning Reserve - Annual transfer in
 Business Improvement Reserve - Annual transfer to in to fund ERP replacement as per Business Plan
 Old Police Station - Transfer in Rent Proceeds
 Plympton Parking Reserve - As per Council resolution re treatment of sale proceeds of 128 George St
 Strategic Waste Reserve - Annual transfer in to meet rising costs thru Regional Council

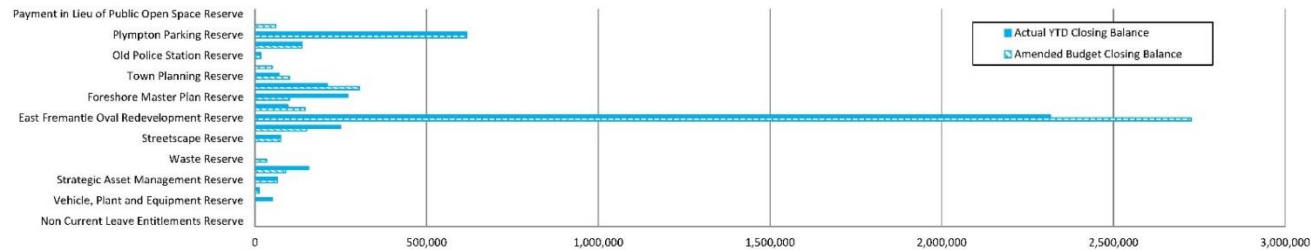
Transfer From:

Vehicle Reserve - to fund light vehicle changeover
 Aged Services Reserve - to fund purchase of 2 light vehicles CHSP
 Arts and Sculpture Reserve - to fund public art capex
 Drainage Reserve - to fund Capex
 East Fremantle Oval Redevelopment Reserve - as per agenda item to Council
 Preston Point Facilities Reserve - to fund Council contribution to Soccer Club project
 Foreshore Master Plan Reserve - to fund Town's contribution to foreshore works
 Sustainability Reserve - to fund Climate Emergency Strategy
 Old Police Station Reserve - to fund maintenance/capex

Expenditure Account

Various
 ED8607
 E11685/E11741
 E12823
 E11739 less I11206
 E10644 less I11177
 E10215
 E14462

Note 5 - Year To Date Reserve Balance to End of Year Estimate



TOWN OF EAST FREMANTLE
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2022

Asset Number	Plant Number	Asset Description	2022/23							Forecast				
			Net Book Value	Budget Proceeds	Budget Profit	Budget Loss	WDV	Proceeds	Profit	(Loss)	Net Book Value	Forecast Proceeds	Budget Profit	Budget Loss
		Plant and Equipment	\$					\$	\$	\$	\$			
PEMV273	P5013	CEO Vehicle	13,418	36,700	23,282				0		13,418	36,700	23,282	
PEMV272	P5012	EMRS Vehicle	8,000	24,000	16,000				0		8,000	24,000	16,000	
PEMV268	P5003	EMCS Vehicle	5,250	21,082	15,832				0		5,250	21,082	15,832	
PEMV269	P5006	EMTS Vehicle	5,250	21,082	15,832		5,682	21,177	15,495		5,250	21,082	15,832	
PEMV264	P4093	PEHO Vehicle	0	11,962	11,962				0		0	11,962	11,962	
PEMV266	P4098	Works Supervisor Vehicle	0	21,142	21,142				0		0	21,142	21,142	
PEMV236		Toyota Hilux Dual Cab Ute	0	8,400	8,400				0		0	0	0	
PEMV262		Ford Ranger Single Cab Ute (Oval and Verges)	0	11,200	11,200				0		0	11,200	11,200	
PE268		Toro Z Master 7000	0	12,000	12,000				0		0	12,000	12,000	
PEMV242	P4069	2012 Mitsubishi Rosa Bus 1DXU938 (183,000km)									1,781	30,000	28,219	
VARIOUS		128 George Street Land and Buildings	1,497,957	1,850,000	352,043		1,442,619	1,850,000	407,381		1,497,957	1,850,000	352,043	
									0					
			1,529,875	2,017,568	487,693		1,448,300	1,871,177	422,877	0	1,531,656	2,039,168	507,512	

SALARIES AND WAGES ACTUAL VS BUDGET- 31 December 2022

Prog	Programme Description	COA	Description	IE	Inc/Exp Analysis	Original Budget	YTD Budget	YTD Actual	YTD Actual v YTD Budget
04	Governance	E04201	Employee Costs - Administration - Salaries & Wages	300	Salaries & Wages	\$1,376,188.00	\$688,096.00	\$698,089.27	
04	Governance	E04204	Materials and Contracts - Administration - Service Contracts - Implementation of OHS Work Plan and Cont. to WH!	300	Salaries & Wages	\$0.00	\$0.00	\$454.11	
04	Governance	E04208	Works Costing - Maintenance - Buildings - Town Hall	300	Salaries & Wages	\$626.00	\$312.00	\$1,294.27	
04	Governance	E04254	Works Costing - Maintenance - Other - Election Expenses	300	Salaries & Wages	\$0.00	\$0.00	\$0.00	
			04 - Governance			\$1,376,814.00	\$688,408.00	\$699,837.65	
05	Law,Order,Public Safety	E05203	Employee Costs - Other Law Order & Public Safety - Salaries & Wages	300	Salaries & Wages	\$21,049.00	\$10,524.00	\$16,364.94	
05	Law,Order,Public Safety	E05230	Employee Costs - Animal Control - Salaries & Wages	300	Salaries & Wages	\$31,573.00	\$15,788.00	\$19,721.52	
			05 - Law, Order, Public Safety			\$52,622.00	\$26,312.00	\$36,086.46	
07	Health	E07201	Works Costing - Maintenance - Buildings - EH Gray Centre (Old Infant Health Clinic)	300	Salaries & Wages	\$0.00	\$0.00	\$0.00	
07	Health	E07211	Employee Costs - Health Inspection & Admin - Salaries & Wages	300	Salaries & Wages	\$81,679.00	\$40,840.00	\$40,996.67	
			07 - Health			\$81,679.00	\$40,840.00	\$40,996.67	
08	Welfare	E08207	Employee Costs - Care Of Families & Children - Salaries & Wages - CHSP	300	Salaries & Wages	\$553,865.00	\$276,933.00	\$258,442.41	
			08 - Education & Welfare			\$553,865.00	\$276,933.00	\$258,442.41	
10	Community Amenities	E10205	Works Costing - Maintenance - Plant & Equipment - Implementation of Strategic Waste Plan	300	Salaries & Wages	\$0.00	\$0.00	\$0.00	
10	Community Amenities	E10206	Employee Costs - Other Sanitation - Salaries & Wages - Waste Education	300	Salaries & Wages	\$81,196.00	\$40,599.00	\$44,217.09	
10	Community Amenities	E10209	Employee Costs - Town Planning & Regional Development - Salaries & Wages	300	Salaries & Wages	\$558,766.00	\$279,383.00	\$284,252.95	
10	Community Amenities	E10210	Works Costing - Maintenance - Plant & Equipment - Street Bin Maintenance	300	Salaries & Wages	\$11,025.00	\$5,512.00	\$3,715.63	
10	Community Amenities	E10223	Works Costing - Maintenance - Buildings - Sumpton Green - Child Care Hall	300	Salaries & Wages	\$501.00	\$253.00	\$658.02	
			10 - Community Amenities			\$651,488.00	\$325,747.00	\$332,843.69	
11	Recreation And Culture	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	300	Salaries & Wages	\$8,686.00	\$4,342.00	\$2,603.62	
11	Recreation And Culture	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	300	Salaries & Wages	\$3,216.00	\$1,606.00	\$1,761.04	
11	Recreation And Culture	E11206	Works Costing - Maintenance - Parks & Ovals - W.H. Kitson Park	300	Salaries & Wages	\$5,554.00	\$2,776.00	\$1,428.50	
11	Recreation And Culture	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	300	Salaries & Wages	\$8,310.00	\$4,154.00	\$5,126.27	
11	Recreation And Culture	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	300	Salaries & Wages	\$3,174.00	\$1,586.00	\$3,190.05	
11	Recreation And Culture	E11209	Works Costing - Maintenance - Parks & Ovals - W. W. Wayman Reserve	300	Salaries & Wages	\$3,800.00	\$1,898.00	\$1,425.58	
11	Recreation And Culture	E11210	Works Costing - Maintenance - Buildings - Camp Waller	300	Salaries & Wages	\$2,422.00	\$1,209.00	\$0.00	
11	Recreation And Culture	E11211	Works Costing - Maintenance - Buildings - Hurricanes	300	Salaries & Wages	\$0.00	\$0.00	\$0.00	
11	Recreation And Culture	E11212	Works Costing - Maintenance - Buildings - East Fremantle Tennis Club	300	Salaries & Wages	\$5,888.00	\$2,944.00	\$2,916.99	
11	Recreation And Culture	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	300	Salaries & Wages	\$3,717.00	\$1,859.00	\$2,883.14	
11	Recreation And Culture	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Road Reserves	300	Salaries & Wages	\$32,406.00	\$16,204.00	\$11,681.73	
11	Recreation And Culture	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	300	Salaries & Wages	\$11,902.00	\$5,953.00	\$5,007.87	
11	Recreation And Culture	E11216	Works Costing - Maintenance - Parks & Ovals - Town Hall Reserve	300	Salaries & Wages	\$11,233.00	\$5,616.00	\$3,547.62	
11	Recreation And Culture	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	300	Salaries & Wages	\$13,196.00	\$6,598.00	\$4,209.59	
11	Recreation And Culture	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	300	Salaries & Wages	\$20,170.00	\$10,087.00	\$6,053.75	
11	Recreation And Culture	E11221	Works Costing - Maintenance - Parks & Ovals - East Fremantle Croquet Club	300	Salaries & Wages	\$9,939.00	\$4,972.00	\$2,363.70	
11	Recreation And Culture	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	300	Salaries & Wages	\$4,468.00	\$2,236.00	\$2,332.10	
11	Recreation And Culture	E11223	Works Costing - Maintenance - Parks & Ovals - E. I. Chapman Reserve	300	Salaries & Wages	\$4,176.00	\$2,087.00	\$1,736.18	
11	Recreation And Culture	E11224	Works Costing - Maintenance - Parks & Ovals - I. G. Handcock Playground	300	Salaries & Wages	\$3,090.00	\$1,547.00	\$1,236.06	
11	Recreation And Culture	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	300	Salaries & Wages	\$3,633.00	\$1,814.00	\$1,722.08	
11	Recreation And Culture	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	300	Salaries & Wages	\$4,051.00	\$2,027.00	\$1,400.51	
11	Recreation And Culture	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	300	Salaries & Wages	\$6,598.00	\$3,301.00	\$4,649.39	

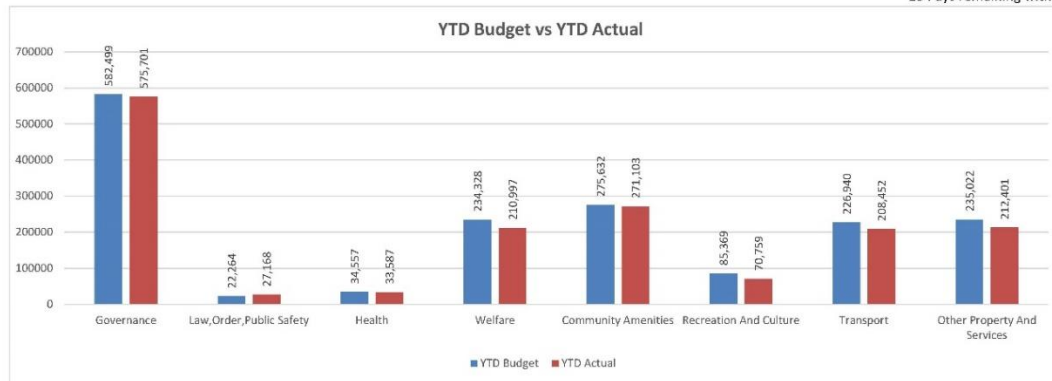
Attachment -1

11	Recreation And Culture	E11229 Works Costing - Maintenance - Parks & Ovals - Surbiton Road Park	300 Salaries & Wages	\$459.00	\$228.00	\$886.11	
11	Recreation And Culture	E11232 Works Costing - Maintenance - Parks & Ovals - RSL Memorial Rose Garden	300 Salaries & Wages	\$835.00	\$416.00	\$502.31	
11	Recreation And Culture	E11235 Works Costing - Maintenance - Parks & Ovals - Parks Equipment	300 Salaries & Wages	\$9,688.00	\$4,843.00	\$2,010.10	
11	Recreation And Culture	E11236 Works Costing - Maintenance - Parks & Ovals - East Fremantle Bowling Club	300 Salaries & Wages	\$4,218.00	\$2,107.00	\$969.56	
11	Recreation And Culture	E11241 Works Costing - Maintenance - Parks & Ovals - Lee Park	300 Salaries & Wages	\$2,881.00	\$1,442.00	\$1,825.93	
11	Recreation And Culture	E11242 Works Costing - Maintenance - Parks & Ovals - Glasson Park	300 Salaries & Wages	\$5,304.00	\$2,652.00	\$2,007.81	
11	Recreation And Culture	E11243 Works Costing - Maintenance - Parks & Ovals - River - Stirling Bridge	300 Salaries & Wages	\$919.00	\$461.00	\$2,087.28	
11	Recreation And Culture	E11245 Works Costing - Maintenance - Parks & Ovals - Pump & Reticulation Overhaul	300 Salaries & Wages	\$0.00	\$0.00	\$0.00	
11	Recreation And Culture	E11257 Works Costing - Maintenance - Parks & Ovals - George Booth Park	300 Salaries & Wages	\$501.00	\$253.00	\$63.75	
11	Recreation And Culture	E11258 Works Costing - Maintenance - Parks & Ovals - Foreshore Maintenance & Bush Regeneration	300 Salaries & Wages	\$668.00	\$332.00	\$0.00	
11	Recreation And Culture	E11259 Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	300 Salaries & Wages	\$5,763.00	\$2,880.00	\$3,435.71	
11	Recreation And Culture	E11263 Works Costing - Maintenance - Other - East Fremantle Festival	300 Salaries & Wages	\$15,000.00	\$15,000.00	\$14,401.19	
11	Recreation And Culture	E11294 Works Costing - Maintenance - Parks & Ovals - Marjorie Green Park	300 Salaries & Wages	\$919.00	\$461.00	\$110.38	
11 - Recreation & Culture				\$216,784.00	\$115,891.00	\$95,575.90	
12	Transport	E12215 Works Costing - Maintenance - Roads - Road & Street Maintenance	300 Salaries & Wages	\$22,884.00	\$11,440.00	\$6,611.16	
12	Transport	E12230 Works Costing - Maintenance - Plant & Equipment - Works Equipment	300 Salaries & Wages	\$4,886.00	\$2,444.00	\$2,917.51	
12	Transport	E12231 Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	300 Salaries & Wages	\$20,922.00	\$10,459.00	\$11,193.07	
12	Transport	E12235 Works Costing - Maintenance - Roads - Verges Maintenance	300 Salaries & Wages	\$85,274.00	\$42,639.00	\$68,016.57	
12	Transport	E12236 Works Costing - Maintenance - Roads - Street Cleaning	300 Salaries & Wages	\$128,289.00	\$64,143.00	\$43,388.91	
12	Transport	E12237 Works Costing - Maintenance - Roads - Kerbing	300 Salaries & Wages	\$459.00	\$228.00	\$253.30	
12	Transport	E12245 Works Costing - Maintenance - Roads - Street Trees	300 Salaries & Wages	\$55,290.00	\$27,645.00	\$13,734.54	
12	Transport	E12255 Works Costing - Maintenance - Roads - Tree Replacements	300 Salaries & Wages	\$14,825.00	\$7,411.00	\$20,765.77	
12	Transport	E12256 Works Costing - Maintenance - Roads - Street Tree Watering	300 Salaries & Wages	\$7,684.00	\$3,842.00	\$3,398.78	
12	Transport	E12260 Works Costing - Maintenance - Roads - Crossovers	300 Salaries & Wages	\$292.00	\$144.00	\$67.96	
12	Transport	E12263 Works Costing - Maintenance - Drainage	300 Salaries & Wages	\$18,374.00	\$9,185.00	\$7,355.28	
12	Transport	E12269 Works Costing - Maintenance - Roads - Street Name Plates & Furniture	300 Salaries & Wages	\$6,264.00	\$3,133.00	\$691.83	
12	Transport	E12303 Employee Costs - Parking Facilities - Salaries & Wages - Parking	300 Salaries & Wages	\$157,865.00	\$78,930.00	\$74,642.08	
12	Transport	E12313 Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	300 Salaries & Wages	\$13,113.00	\$6,558.00	\$3,859.67	
12 - Transport				\$536,421.00	\$268,201.00	\$256,896.43	
14	Other Property And Services	E14201 Employee Costs - Public Works Overheads - Salaries & Wages - Supervision	300 Salaries & Wages	\$381,895.00	\$190,950.00	\$191,140.21	
14	Other Property And Services	E14205 Employee Costs - Public Works Overheads - Salaries & Wages - Sick / Holiday Pay / RDO'S	300 Salaries & Wages	\$147,813.00	\$73,905.00	\$60,090.33	
14	Other Property And Services	E14209 Employee Costs - Public Works Overheads - Salaries & Wages - Long Service Leave	300 Salaries & Wages	\$0.00	\$0.00	\$4,631.32	
14	Other Property And Services	E14210 Works Costing - Maintenance - Other - Admin/Safety/Training	300 Salaries & Wages	\$13,500.00	\$6,748.00	\$3,556.52	
14	Other Property And Services	E14242 Works Costing - Maintenance - Buildings - Depot	300 Salaries & Wages	\$6,500.00	\$3,250.00	\$3,940.64	
14	Other Property And Services	E14424 Works Costing - Maintenance - Other - Graffiti Removal	300 Salaries & Wages	\$3,967.00	\$1,983.00	\$2,002.71	
14	Other Property And Services	E14435 Employee Costs - Unclassified Property - Salaries & Wages - Workers Compensation	300 Salaries & Wages	\$0.00	\$0.00	\$0.00	
14	Other Property And Services	E14460 Works Costing - Maintenance - Buildings - General	300 Salaries & Wages	\$1,837.00	\$917.00	\$559.69	
14	Other Property And Services	E14470 Employee Costs - Salaries & Wages - Gross Total Salaries and Wages	300 Salaries & Wages	\$4,025,185.00	\$2,012,594.00	\$1,971,379.02	
14	Other Property And Services	E14493 Employee Costs - Salaries & Wages Allocated	300 Salaries & Wages	-\$4,025,185.00	-\$2,012,594.00	-\$1,971,379.02	
14 - Other Property & Services				\$555,512.00	\$277,753.00	\$265,921.42	

	Original Budget	YTD Budget	YTD Actual
Governance	\$1,376,814.00	\$688,408.00	\$699,837.65
Law,Order,Public Safety	\$52,622.00	\$26,312.00	\$36,086.46
Health	\$81,679.00	\$40,840.00	\$40,996.67
Welfare	\$553,865.00	\$276,933.00	\$258,442.41
Community Amenities	\$651,488.00	\$325,747.00	\$332,843.69
Recreation And Culture	\$216,784.00	\$115,891.00	\$95,575.90
Transport	\$536,421.00	\$268,201.00	\$256,896.43
Other Property And Services	\$555,512.00	\$277,753.00	\$265,921.42
	\$4,025,185.00	\$2,020,085.00	\$1,986,600.63

13 Pays @ 31 Dec

13 Pays remaining with last processing date 27 June



Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 10 of 21

Type Description	COA	Description	IE	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Employee Costs									
Operating Expenditure	ED4201	Employee Costs - Administration - Salaries & Wages	300	\$1,376,188.00	\$688,096.00	\$698,089.27	\$0.00	\$1,376,188.00	
Operating Expenditure	ED4204	Materials and Contracts - Administration - Service Contracts - Implementation of OHS Work Plan and Cont. to WI	300	\$0.00	\$0.00	\$454.11	\$0.00	\$0.00	
Operating Expenditure	ED4208	Works Costing - Maintenance - Buildings - Town Hall	300	\$626.00	\$312.00	\$1,294.27	\$0.00	\$626.00	
Operating Expenditure	ED5203	Employee Costs - Other Law Order & Public Safety - Salaries & Wages	300	\$21,049.00	\$10,524.00	\$16,364.94	\$0.00	\$21,049.00	
Operating Expenditure	ED5230	Employee Costs - Animal Control - Salaries & Wages	300	\$31,573.00	\$15,788.00	\$19,721.52	\$0.00	\$31,573.00	
Operating Expenditure	ED7211	Employee Costs - Health Inspection & Admin - Salaries & Wages	300	\$81,679.00	\$40,840.00	\$40,996.67	\$0.00	\$81,679.00	
Operating Expenditure	ED8207	Employee Costs - Care Of Families & Children - Salaries & Wages - CHSP	300	\$553,865.00	\$276,933.00	\$258,442.41	\$0.00	\$553,865.00	
Operating Expenditure	E10206	Employee Costs - Other Sanitation - Salaries & Wages - Waste Education	300	\$81,196.00	\$40,599.00	\$44,217.09	\$0.00	\$81,196.00	
Operating Expenditure	E10209	Employee Costs - Town Planning & Regional Development - Salaries & Wages	300	\$558,766.00	\$279,383.00	\$284,252.95	\$0.00	\$558,766.00	
Operating Expenditure	E10210	Works Costing - Maintenance - Plant & Equipment - Street Bin Maintenance	300	\$11,025.00	\$5,512.00	\$3,715.63	\$0.00	\$11,025.00	
Operating Expenditure	E10223	Works Costing - Maintenance - Buildings - Sumpton Green - Child Care Hall	300	\$501.00	\$253.00	\$658.02	\$0.00	\$501.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	300	\$8,686.00	\$4,342.00	\$2,603.62	\$0.00	\$8,686.00	
Operating Expenditure	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	300	\$3,216.00	\$1,606.00	\$1,761.04	\$0.00	\$3,216.00	
Operating Expenditure	E11206	Works Costing - Maintenance - Parks & Ovals - W.H. Kitson Park	300	\$5,554.00	\$2,776.00	\$1,428.50	\$0.00	\$5,554.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	300	\$8,310.00	\$4,154.00	\$5,126.27	\$0.00	\$8,310.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	300	\$3,174.00	\$1,586.00	\$3,190.05	\$0.00	\$3,174.00	
Operating Expenditure	E11209	Works Costing - Maintenance - Parks & Ovals - W. W. Wayman Reserve	300	\$3,800.00	\$1,898.00	\$1,425.58	\$0.00	\$3,800.00	
Operating Expenditure	E11210	Works Costing - Maintenance - Buildings - Camp Waller	300	\$2,422.00	\$1,209.00	\$0.00	\$0.00	\$2,422.00	
Operating Expenditure	E11212	Works Costing - Maintenance - Buildings - East Fremantle Tennis Club	300	\$5,888.00	\$2,944.00	\$2,916.99	\$0.00	\$5,888.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	300	\$3,717.00	\$1,859.00	\$2,883.14	\$0.00	\$3,717.00	
Operating Expenditure	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Oval Reserves	300	\$32,406.00	\$16,204.00	\$11,681.73	\$0.00	\$32,406.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	300	\$11,902.00	\$5,953.00	\$5,007.87	\$0.00	\$11,902.00	
Operating Expenditure	E11216	Works Costing - Maintenance - Parks & Ovals - Town Hall Reserve	300	\$11,233.00	\$5,616.00	\$3,547.62	\$0.00	\$11,233.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	300	\$13,196.00	\$6,598.00	\$4,209.59	\$0.00	\$13,196.00	
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	300	\$20,170.00	\$10,087.00	\$6,053.75	\$0.00	\$20,170.00	
Operating Expenditure	E11221	Works Costing - Maintenance - Parks & Ovals - East Fremantle Croquet Club	300	\$9,939.00	\$4,972.00	\$2,363.70	\$0.00	\$9,939.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	300	\$4,468.00	\$2,236.00	\$2,332.10	\$0.00	\$4,468.00	
Operating Expenditure	E11223	Works Costing - Maintenance - Parks & Ovals - E. I. Chapman Reserve	300	\$4,176.00	\$2,087.00	\$1,736.18	\$0.00	\$4,176.00	
Operating Expenditure	E11224	Works Costing - Maintenance - Parks & Ovals - I. G. Hancock Playground	300	\$3,090.00	\$1,547.00	\$1,236.06	\$0.00	\$3,090.00	
Operating Expenditure	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	300	\$3,633.00	\$1,814.00	\$1,722.08	\$0.00	\$3,633.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	300	\$4,051.00	\$2,027.00	\$1,400.51	\$0.00	\$4,051.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	300	\$6,598.00	\$3,301.00	\$4,649.39	\$0.00	\$6,598.00	
Operating Expenditure	E11229	Works Costing - Maintenance - Parks & Ovals - Surbiton Road Park	300	\$459.00	\$228.00	\$886.11	\$0.00	\$459.00	
Operating Expenditure	E11232	Works Costing - Maintenance - Parks & Ovals - RSL Memorial Rose Garden	300	\$835.00	\$416.00	\$502.31	\$0.00	\$835.00	
Operating Expenditure	E11235	Works Costing - Maintenance - Parks & Ovals - Parks Equipment	300	\$9,688.00	\$4,843.00	\$2,010.10	\$0.00	\$9,688.00	
Operating Expenditure	E11236	Works Costing - Maintenance - Parks & Ovals - East Fremantle Bowling Club	300	\$4,218.00	\$2,107.00	\$969.56	\$0.00	\$4,218.00	
Operating Expenditure	E11241	Works Costing - Maintenance - Parks & Ovals - Lee Park	300	\$2,881.00	\$1,442.00	\$1,825.93	\$0.00	\$2,881.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	300	\$5,304.00	\$2,652.00	\$2,007.81	\$0.00	\$5,304.00	
Operating Expenditure	E11243	Works Costing - Maintenance - Parks & Ovals - River - Stirling Bridge	300	\$919.00	\$461.00	\$2,087.28	\$0.00	\$919.00	
Operating Expenditure	E11257	Works Costing - Maintenance - Parks & Ovals - George Booth Park	300	\$501.00	\$253.00	\$63.75	\$0.00	\$501.00	
Operating Expenditure	E11258	Works Costing - Maintenance - Parks & Ovals - Foreshore Maintenance & Bush Regeneration	300	\$668.00	\$332.00	\$0.00	\$0.00	\$668.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	300	\$5,763.00	\$2,880.00	\$3,435.71	\$0.00	\$5,763.00	
Operating Expenditure	E11263	Works Costing - Maintenance - Other - East Fremantle Festival	300	\$15,000.00	\$15,000.00	\$14,401.19	\$0.00	\$15,000.00	
Operating Expenditure	E11294	Works Costing - Maintenance - Parks & Ovals - Marjorie Green Park	300	\$919.00	\$461.00	\$110.38	\$0.00	\$919.00	
Operating Expenditure	E12215	Works Costing - Maintenance - Roads - Road & Street Maintenance	300	\$22,884.00	\$11,440.00	\$6,611.16	\$0.00	\$22,884.00	
Operating Expenditure	E12230	Works Costing - Maintenance - Plant & Equipment - Works Equipment	300	\$4,886.00	\$2,444.00	\$2,917.51	\$0.00	\$4,886.00	
Operating Expenditure	E12231	Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	300	\$20,922.00	\$10,459.00	\$11,193.07	\$0.00	\$20,922.00	
Operating Expenditure	E12235	Works Costing - Maintenance - Roads - Verges Maintenance	300	\$85,274.00	\$42,639.00	\$68,016.57	\$0.00	\$85,274.00	
Operating Expenditure	E12236	Works Costing - Maintenance - Roads - Street Cleaning	300	\$128,289.00	\$64,143.00	\$43,388.91	\$0.00	\$128,289.00	
Operating Expenditure	E12237	Works Costing - Maintenance - Roads - Kerbing	300	\$459.00	\$228.00	\$253.30	\$0.00	\$459.00	
Operating Expenditure	E12245	Works Costing - Maintenance - Roads - Street Trees	300	\$55,290.00	\$27,645.00	\$13,734.54	\$0.00	\$55,290.00	
Operating Expenditure	E12255	Works Costing - Maintenance - Roads - Tree Replacements	300	\$14,825.00	\$7,411.00	\$20,765.77	\$0.00	\$14,825.00	
Operating Expenditure	E12256	Works Costing - Maintenance - Roads - Street Tree Watering	300	\$7,684.00	\$3,842.00	\$3,398.78	\$0.00	\$7,684.00	
Operating Expenditure	E12260	Works Costing - Maintenance - Roads - Crossovers	300	\$292.00	\$144.00	\$67.96	\$0.00	\$292.00	
Operating Expenditure	E12263	Works Costing - Maintenance - Drainage	300	\$18,374.00	\$9,185.00	\$7,355.28	\$0.00	\$18,374.00	
Operating Expenditure	E12269	Works Costing - Maintenance - Roads - Street Name Plates & Furniture	300	\$6,264.00	\$3,133.00	\$691.83	\$0.00	\$6,264.00	
Operating Expenditure	E12303	Employee Costs - Parking Facilities - Salaries & Wages - Parking	300	\$157,865.00	\$78,930.00	\$74,642.08	\$0.00	\$157,865.00	
Operating Expenditure	E12313	Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	300	\$13,113.00	\$6,558.00	\$3,859.67	\$0.00	\$13,113.00	
Operating Expenditure	E14201	Employee Costs - Public Works Overheads - Salaries & Wages - Supervision	300	\$381,895.00	\$190,950.00	\$191,140.21	\$0.00	\$381,895.00	
Operating Expenditure	E14205	Employee Costs - Public Works Overheads - Salaries & Wages - Sick / Holiday Pay / RDO'S	300	\$147,813.00	\$73,905.00	\$60,090.33	\$0.00	\$147,813.00	
Operating Expenditure	E14209	Employee Costs - Public Works Overheads - Salaries & Wages - Long Service Leave	300	\$0.00	\$0.00	\$4,631.32	\$0.00	\$0.00	
Operating Expenditure	E14210	Works Costing - Maintenance - Other - Admin/Safety/Training	300	\$13,500.00	\$6,748.00	\$3,556.52	\$0.00	\$13,500.00	

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	300	Salaries & Wages	\$6,500.00	\$3,250.00	\$3,940.64	\$0.00	\$6,500.00	
Operating Expenditure	E14424	Works Costing - Maintenance - Other - Graffiti Removal	300	Salaries & Wages	\$3,967.00	\$1,983.00	\$2,002.71	\$0.00	\$3,967.00	
Operating Expenditure	E14460	Works Costing - Maintenance - Buildings - General	300	Salaries & Wages	\$1,837.00	\$917.00	\$559.69	\$0.00	\$1,837.00	
Operating Expenditure	E14470	Employee Costs - Salaries & Wages - Gross Total Salaries and Wages	300	Salaries & Wages	\$4,025,185.00	\$2,012,594.00	\$1,971,379.02	\$0.00	\$4,025,185.00	
Operating Expenditure	E14493	Employee Costs - Salaries & Wages Allocated	300	Salaries & Wages	-\$4,025,185.00	-\$2,012,594.00	-\$1,971,379.02	\$0.00	-\$4,025,185.00	
Operating Expenditure	E04205	Employee Costs - Administration - On Costs - Superannuation & FBT	310	Employment O	\$187,889.00	\$93,945.00	\$105,826.38	\$0.00	\$187,889.00	
Operating Expenditure	E05205	Employee Costs - Other Law Order & Public Safety - Superannuation - Ranger Services	310	Employment O	\$2,720.00	\$1,359.00	\$0.00	\$0.00	\$2,720.00	
Operating Expenditure	E05231	Employee Costs - Animal Control - Superannuation	310	Employment O	\$4,079.00	\$2,041.00	\$0.00	\$0.00	\$4,079.00	
Operating Expenditure	E07215	Employee Costs - Health Inspection & Admin - On Costs - Superannuation & FBT	310	Employment O	\$7,865.00	\$3,933.00	\$6,388.38	\$0.00	\$7,865.00	
Operating Expenditure	E08208	Employee Costs - Care Of Families & Children - Superannuation - CHSP	310	Employment O	\$64,945.00	\$32,474.00	\$24,782.24	\$0.00	\$64,945.00	
Operating Expenditure	E10211	Employee Costs - Town Planning & Regional Development - On Costs - Superannuation & FBT	310	Employment O	\$85,559.00	\$42,777.00	\$43,406.19	\$0.00	\$85,559.00	
Operating Expenditure	E10230	Employee Costs - Other Sanitation - Superannuation - Waste Education Officer	310	Employment O	\$12,116.00	\$6,058.00	\$6,162.25	\$0.00	\$12,116.00	
Operating Expenditure	E12305	Employee Costs - Parking Facilities - Superannuation - Parking	310	Employment O	\$20,396.00	\$10,198.00	\$11,066.22	\$0.00	\$20,396.00	
Operating Expenditure	E14203	Employee Costs - Public Works Overheads - Superannuation	310	Employment O	\$161,607.00	\$80,802.00	\$64,023.43	\$0.00	\$161,607.00	
Operating Expenditure	E04205	Employee Costs - Administration - On Costs - Superannuation & FBT	311	Employment O	\$15,832.00	\$7,916.00	\$3,958.00	\$0.00	\$15,832.00	
Operating Expenditure	E07215	Employee Costs - Health Inspection & Admin - On Costs - Superannuation & FBT	311	Employment O	\$2,859.00	\$1,429.50	\$715.00	\$0.00	\$2,859.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	311	Employment O	\$4,066.00	\$2,033.00	\$1,016.00	\$0.00	\$4,066.00	
Operating Expenditure	E10211	Employee Costs - Town Planning & Regional Development - On Costs - Superannuation & FBT	311	Employment O	\$6,883.00	\$3,441.50	\$1,721.00	\$0.00	\$6,883.00	
Operating Expenditure	E14304	Works Costing - Maintenance - Plant & Equipment - Insurance & Licences - Plant Operating Costs	311	Employment O	\$6,250.00	\$3,125.00	\$1,563.00	\$0.00	\$6,250.00	
Operating Expenditure	E04245	Employee Costs - Administration - Staff Training and Conferences	312	Staff Training	\$30,600.00	\$15,300.00	\$21,364.79	\$3,240.90	\$40,600.00	Additional Budget required?
Operating Expenditure	E05209	Employee Costs - Other Law Order & Public Safety - Training and Conferences - Rangers	312	Staff Training	\$2,055.00	\$1,026.00	\$59.00	\$0.00	\$2,055.00	
Operating Expenditure	E07222	Employee Costs - Health Inspection & Admin - Training and Conferences	312	Staff Training	\$2,055.00	\$1,026.00	\$0.00	\$0.00	\$2,055.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	312	Staff Training	\$6,120.00	\$3,060.00	\$561.00	\$1,172.73	\$6,120.00	
Operating Expenditure	E10240	Employee Costs - Town Planning & Regional Development - Training and Conferences	312	Staff Training	\$6,120.00	\$3,060.00	\$3,741.32	\$0.00	\$6,120.00	
Operating Expenditure	E14210	Works Costing - Maintenance - Other - Admin/Safety/Training	312	Staff Training	\$8,160.00	\$4,080.00	\$425.28	\$0.00	\$8,160.00	
Operating Expenditure	E04216	Employee Costs - Administration - Workers Compensation Insurance	366	Workers Comp	\$72,836.00	\$72,836.00	\$62,890.62	\$0.00	\$72,836.00	
Operating Expenditure	E12215	Works Costing - Maintenance - Roads - Road & Street Maintenance	366	Workers Comp	\$0.00	\$0.00	\$6,560.00	\$0.00	\$0.00	
					\$4,736,197.00	\$2,412,005.00	\$2,352,830.73	\$4,413.63	\$4,746,197.00	Overall actuals 49.67% of full year budget/ Spot on
Materials and Contracts										
Operating Expenditure	E04201	Employee Costs - Administration - Salaries & Wages	320	Overhead Costs	\$0.00	\$0.00	\$114.86	\$0.00	\$0.00	
Operating Expenditure	E04204	Materials and Contracts - Administration - Service Contracts - Implementation of OHS Work Plan and Cont. to W/	320	Overhead Costs	\$0.00	\$0.00	\$488.15	\$0.00	\$0.00	
Operating Expenditure	E04208	Works Costing - Maintenance - Buildings - Town Hall	320	Overhead Costs	\$1,165.00	\$584.00	\$2,407.34	\$0.00	\$1,165.00	
Operating Expenditure	E10210	Works Costing - Maintenance - Plant & Equipment - Street Bin Maintenance	320	Overhead Costs	\$20,505.00	\$10,251.00	\$6,924.92	\$0.00	\$20,505.00	
Operating Expenditure	E10223	Works Costing - Maintenance - Buildings - Sumpton Green - Child Care Hall	320	Overhead Costs	\$932.00	\$468.00	\$1,223.91	\$0.00	\$932.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	320	Overhead Costs	\$16,155.00	\$8,079.00	\$4,826.80	\$0.00	\$16,155.00	
Operating Expenditure	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	320	Overhead Costs	\$5,980.00	\$2,990.00	\$2,942.22	\$0.00	\$5,980.00	
Operating Expenditure	E11206	Works Costing - Maintenance - Parks & Ovals - W.H. Kitson Park	320	Overhead Costs	\$10,330.00	\$5,167.00	\$2,549.29	\$0.00	\$10,330.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	320	Overhead Costs	\$15,456.00	\$7,728.00	\$8,751.83	\$0.00	\$15,456.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	320	Overhead Costs	\$5,903.00	\$2,951.00	\$5,347.25	\$0.00	\$5,903.00	
Operating Expenditure	E11209	Works Costing - Maintenance - Parks & Ovals - W. W. Wayman Reserve	320	Overhead Costs	\$7,068.00	\$3,536.00	\$2,270.54	\$0.00	\$7,068.00	
Operating Expenditure	E11210	Works Costing - Maintenance - Buildings - Camp Waller	320	Overhead Costs	\$4,505.00	\$2,255.00	\$0.00	\$0.00	\$4,505.00	
Operating Expenditure	E11212	Works Costing - Maintenance - Buildings - East Fremantle Tennis Club	320	Overhead Costs	\$10,951.00	\$5,474.00	\$4,643.63	\$0.00	\$10,951.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	320	Overhead Costs	\$6,913.00	\$3,458.00	\$5,183.18	\$0.00	\$6,913.00	
Operating Expenditure	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Road Reserves	320	Overhead Costs	\$60,271.00	\$30,134.00	\$17,308.76	\$0.00	\$60,271.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	320	Overhead Costs	\$22,136.00	\$11,069.00	\$8,554.98	\$0.00	\$22,136.00	
Operating Expenditure	E11216	Works Costing - Maintenance - Parks & Ovals - Town Hall Reserve	320	Overhead Costs	\$20,893.00	\$10,446.00	\$6,598.60	\$0.00	\$20,893.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	320	Overhead Costs	\$24,543.00	\$12,272.00	\$6,936.73	\$0.00	\$24,543.00	
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	320	Overhead Costs	\$37,514.00	\$18,759.00	\$11,028.02	\$0.00	\$37,514.00	
Operating Expenditure	E11221	Works Costing - Maintenance - Parks & Ovals - East Fremantle Croquet Club	320	Overhead Costs	\$18,485.00	\$9,243.00	\$4,396.45	\$0.00	\$18,485.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	320	Overhead Costs	\$8,311.00	\$4,154.00	\$4,122.35	\$0.00	\$8,311.00	
Operating Expenditure	E11223	Works Costing - Maintenance - Parks & Ovals - E. I. Chapman Reserve	320	Overhead Costs	\$7,767.00	\$3,881.00	\$2,613.82	\$0.00	\$7,767.00	
Operating Expenditure	E11224	Works Costing - Maintenance - Parks & Ovals - I. G. Handcock Playground	320	Overhead Costs	\$5,747.00	\$2,873.00	\$1,939.53	\$0.00	\$5,747.00	
Operating Expenditure	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	320	Overhead Costs	\$6,757.00	\$3,380.00	\$3,095.31	\$0.00	\$6,757.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	320	Overhead Costs	\$7,534.00	\$3,769.00	\$2,211.05	\$0.00	\$7,534.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	320	Overhead Costs	\$12,272.00	\$6,136.00	\$7,991.48	\$0.00	\$12,272.00	
Operating Expenditure	E11229	Works Costing - Maintenance - Parks & Ovals - Surbiton Road Park	320	Overhead Costs	\$854.00	\$429.00	\$1,497.73	\$0.00	\$854.00	
Operating Expenditure	E11232	Works Costing - Maintenance - Parks & Ovals - RSL Memorial Rose Garden	320	Overhead Costs	\$1,553.00	\$774.00	\$862.45	\$0.00	\$1,553.00	
Operating Expenditure	E11235	Works Costing - Maintenance - Parks & Ovals - Parks Equipment	320	Overhead Costs	\$18,019.00	\$9,009.00	\$3,735.31	\$0.00	\$18,019.00	
Operating Expenditure	E11236	Works Costing - Maintenance - Parks & Ovals - East Fremantle Bowling Club	320	Overhead Costs	\$7,845.00	\$3,920.00	\$1,812.89	\$0.00	\$7,845.00	
Operating Expenditure	E11241	Works Costing - Maintenance - Parks & Ovals - Lee Park	320	Overhead Costs	\$5,359.00	\$2,678.00	\$3,180.81	\$0.00	\$5,359.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	320	Overhead Costs	\$9,864.00	\$4,933.00	\$3,496.57	\$0.00	\$9,864.00	
Operating Expenditure	E11243	Works Costing - Maintenance - Parks & Ovals - River - Stirling Bridge	320	Overhead Costs	\$1,709.00	\$852.00	\$3,882.36	\$0.00	\$1,709.00	
Operating Expenditure	E11257	Works Costing - Maintenance - Parks & Ovals - George Booth Park	320	Overhead Costs	\$932.00	\$468.00	\$120.02	\$0.00	\$932.00	

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 12 of 21

Type Description	COA	Description	IE	Inc/Exp Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E11258	Works Costing - Maintenance - Parks & Ovals - Foreshore Maintenance & Bush Regeneration	320	Overhead Costs	\$1,243.00	\$623.00	\$0.00	\$0.00	\$1,243.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	320	Overhead Costs	\$10,718.00	\$5,357.00	\$5,843.42	\$0.00	\$10,718.00	
Operating Expenditure	E11263	Works Costing - Maintenance - Other - East Fremantle Festival	320	Overhead Costs	\$27,898.00	\$27,898.00	\$12,096.90	\$0.00	\$27,898.00	
Operating Expenditure	E11294	Works Costing - Maintenance - Parks & Ovals - Marjorie Green Park	320	Overhead Costs	\$1,709.00	\$852.00	\$206.79	\$0.00	\$1,709.00	
Operating Expenditure	E12215	Works Costing - Maintenance - Roads - Road & Street Maintenance	320	Overhead Costs	\$42,033.00	\$21,015.00	\$12,296.72	\$0.00	\$42,033.00	
Operating Expenditure	E12230	Works Costing - Maintenance - Plant & Equipment - Works Equipment	320	Overhead Costs	\$9,087.00	\$4,544.00	\$5,426.60	\$0.00	\$9,087.00	
Operating Expenditure	E12231	Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	320	Overhead Costs	\$38,912.00	\$19,455.00	\$20,857.39	\$0.00	\$38,912.00	
Operating Expenditure	E12235	Works Costing - Maintenance - Roads - Verges Maintenance	320	Overhead Costs	\$156,600.00	\$78,299.00	\$107,254.09	\$0.00	\$156,600.00	
Operating Expenditure	E12236	Works Costing - Maintenance - Roads - Street Cleaning	320	Overhead Costs	\$236,598.00	\$118,300.00	\$78,476.12	\$0.00	\$236,598.00	
Operating Expenditure	E12237	Works Costing - Maintenance - Roads - Kerbing	320	Overhead Costs	\$854.00	\$429.00	\$471.12	\$0.00	\$854.00	
Operating Expenditure	E12245	Works Costing - Maintenance - Roads - Street Trees	320	Overhead Costs	\$102,833.00	\$51,415.00	\$18,678.20	\$0.00	\$102,833.00	
Operating Expenditure	E12255	Works Costing - Maintenance - Roads - Tree Replacements	320	Overhead Costs	\$27,572.00	\$13,786.00	\$28,129.35	\$0.00	\$27,572.00	
Operating Expenditure	E12256	Works Costing - Maintenance - Roads - Street Tree Watering	320	Overhead Costs	\$14,291.00	\$7,144.00	\$6,321.76	\$0.00	\$14,291.00	
Operating Expenditure	E12260	Works Costing - Maintenance - Roads - Crossovers	320	Overhead Costs	\$544.00	\$273.00	\$126.41	\$0.00	\$544.00	
Operating Expenditure	E12263	Works Costing - Maintenance - Drainage	320	Overhead Costs	\$34,174.00	\$17,088.00	\$13,680.79	\$0.00	\$34,174.00	
Operating Expenditure	E12269	Works Costing - Maintenance - Roads - Street Name Plates & Furniture	320	Overhead Costs	\$11,650.00	\$5,824.00	\$1,286.78	\$0.00	\$11,650.00	
Operating Expenditure	E12313	Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	320	Overhead Costs	\$24,388.00	\$12,194.00	\$7,179.07	\$0.00	\$24,388.00	
Operating Expenditure	E14210	Works Costing - Maintenance - Other - Admin/Safety/Training	320	Overhead Costs	\$22,950.00	\$11,473.00	\$6,327.74	\$0.00	\$22,950.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	320	Overhead Costs	\$11,050.00	\$5,525.00	\$7,329.69	\$0.00	\$11,050.00	
Operating Expenditure	E14290	Materials and Contracts - Public Works Overheads - Overheads Allocated - P.W.O. Allocated to Works	320	Overhead Costs	-\$1,170,128.00	-\$585,065.00	-\$480,166.29	\$0.00	-\$1,170,128.00	
Operating Expenditure	E14424	Works Costing - Maintenance - Other - Graffiti Removal	320	Overhead Costs	\$7,379.00	\$3,691.00	\$3,724.94	\$0.00	\$7,379.00	
Operating Expenditure	E14460	Works Costing - Maintenance - Buildings - General	320	Overhead Costs	\$3,417.00	\$1,709.00	\$540.22	\$0.00	\$3,417.00	
Operating Expenditure	003499	Materials and Contracts - Plant Operation Costs Allocated	330	Plant Operating	-\$243,121.00	-\$121,560.00	-\$97,512.92	\$0.00	-\$243,121.00	
Operating Expenditure	E04233	Materials and Contracts - Administration - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$28,036.00	\$14,016.00	\$6,006.32	\$0.00	\$28,036.00	
Operating Expenditure	E05206	Materials and Contracts - Other Law Order & Public Safety - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$844.00	\$420.00	\$238.89	\$0.00	\$844.00	
Operating Expenditure	E05232	Materials and Contracts - Animal Control - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$1,687.00	\$846.00	\$477.78	\$0.00	\$1,687.00	
Operating Expenditure	E07212	Materials and Contracts - Health Inspection & Admin - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$3,402.00	\$1,704.00	\$1,007.02	\$0.00	\$3,402.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	330	Plant Operating	\$34,075.00	\$17,040.00	\$28,518.03	\$0.00	\$34,075.00	
Operating Expenditure	E10213	Materials and Contracts - Town Planning & Regional Development - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$11,779.00	\$5,892.00	\$2,325.66	\$0.00	\$11,779.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	330	Plant Operating	\$4,398.00	\$2,202.00	\$1,584.26	\$0.00	\$4,398.00	
Operating Expenditure	E11206	Works Costing - Maintenance - Parks & Ovals - W.H. Kitson Park	330	Plant Operating	\$3,711.00	\$1,854.00	\$1,078.03	\$0.00	\$3,711.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	330	Plant Operating	\$2,206.00	\$1,104.00	\$922.22	\$0.00	\$2,206.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	330	Plant Operating	\$2,206.00	\$1,104.00	\$922.22	\$0.00	\$2,206.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	330	Plant Operating	\$199.00	\$102.00	\$70.40	\$0.00	\$199.00	
Operating Expenditure	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Road Reserves	330	Plant Operating	\$6,669.00	\$3,336.00	\$2,662.58	\$0.00	\$6,669.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	330	Plant Operating	\$7,229.00	\$3,612.00	\$2,955.35	\$0.00	\$7,229.00	
Operating Expenditure	E11216	Works Costing - Maintenance - Parks & Ovals - Town Hall Reserve	330	Plant Operating	\$5,730.00	\$2,868.00	\$1,373.23	\$0.00	\$5,730.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	330	Plant Operating	\$8,099.00	\$4,050.00	\$3,206.48	\$0.00	\$8,099.00	
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	330	Plant Operating	\$13,908.00	\$6,954.00	\$5,575.16	\$0.00	\$13,908.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	330	Plant Operating	\$2,206.00	\$1,104.00	\$922.22	\$0.00	\$2,206.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	330	Plant Operating	\$283.00	\$144.00	\$100.04	\$0.00	\$283.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	330	Plant Operating	\$4,392.00	\$2,196.00	\$1,688.30	\$0.00	\$4,392.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	330	Plant Operating	\$3,282.00	\$1,644.00	\$1,256.84	\$0.00	\$3,282.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	330	Plant Operating	\$2,750.00	\$1,374.00	\$1,114.76	\$0.00	\$2,750.00	
Operating Expenditure	E12231	Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	330	Plant Operating	\$5,397.00	\$2,700.00	\$3,006.49	\$0.00	\$5,397.00	
Operating Expenditure	E12235	Works Costing - Maintenance - Roads - Verges Maintenance	330	Plant Operating	\$18,425.00	\$9,210.00	\$6,101.22	\$0.00	\$18,425.00	
Operating Expenditure	E12236	Works Costing - Maintenance - Roads - Street Cleaning	330	Plant Operating	\$6,019.00	\$3,012.00	\$2,310.83	\$0.00	\$6,019.00	
Operating Expenditure	E12245	Works Costing - Maintenance - Roads - Street Trees	330	Plant Operating	\$6,195.00	\$3,096.00	\$1,829.93	\$0.00	\$6,195.00	
Operating Expenditure	E12256	Works Costing - Maintenance - Roads - Street Tree Watering	330	Plant Operating	\$1,279.00	\$642.00	\$159.47	\$0.00	\$1,279.00	
Operating Expenditure	E12263	Works Costing - Maintenance - Drainage	330	Plant Operating	\$8,535.00	\$4,266.00	\$3,431.31	\$0.00	\$8,535.00	
Operating Expenditure	E12269	Works Costing - Maintenance - Roads - Street Name Plates & Furniture	330	Plant Operating	\$2,964.00	\$1,482.00	\$1,595.11	\$0.00	\$2,964.00	
Operating Expenditure	E12309	Materials and Contracts - Parking Facilities - Plant Operating Costs - Vehicle Expenses (Light Fleet)	330	Plant Operating	\$12,257.00	\$6,126.00	\$3,933.28	\$0.00	\$12,257.00	
Operating Expenditure	E12313	Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	330	Plant Operating	\$1,578.00	\$792.00	\$845.94	\$0.00	\$1,578.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	330	Plant Operating	\$5,141.00	\$2,568.00	\$2,255.09	\$0.00	\$5,141.00	
Operating Expenditure	E14255	Materials and Contracts - Public Works Overheads - Plant Operating Costs - Vehicle Expenses	330	Plant Operating	\$28,240.00	\$14,118.00	\$8,038.46	\$0.00	\$28,240.00	
Operating Expenditure	E04208	Works Costing - Maintenance - Buildings - Town Hall	340	Materials Purch	\$0.00	\$0.00	\$664.05	\$0.00	\$0.00	
Operating Expenditure	E04211	Materials and Contracts - Administration - Materials - Printing & Stationery	340	Materials Purch	\$10,710.00	\$5,358.00	\$2,851.08	\$530.69	\$10,710.00	
Operating Expenditure	E04243	Materials and Contracts - Administration - Materials - Staff Uniform	340	Materials Purch	\$7,650.00	\$3,828.00	\$2,193.43	\$0.00	\$7,650.00	
Operating Expenditure	E04249	Materials and Contracts - Administration - Materials - Equipment Below Threshold	340	Materials Purch	\$5,100.00	\$2,550.00	\$3,476.45	\$1,271.00	\$5,100.00	
Operating Expenditure	E04250	Materials and Contracts - Administration - Service Contracts - Office Expenses	340	Materials Purch	\$1,500.00	\$750.00	\$426.26	\$0.00	\$1,500.00	
Operating Expenditure	E05207	Materials and Contracts - Other Law Order & Public Safety - Office Expenses	340	Materials Purch	\$1,020.00	\$510.00	\$237.84	\$0.00	\$1,020.00	
Operating Expenditure	E05211	Materials and Contracts - Other Law Order & Public Safety - Materials - Protective Clothing	340	Materials Purch	\$2,550.00	\$1,278.00	\$522.28	\$0.00	\$2,550.00	
Operating Expenditure	E05212	Materials and Contracts - Other Law Order & Public Safety - Materials - Equipment Below Threshold	340	Materials Purch	\$1,500.00	\$750.00	\$277.27	\$0.00	\$1,500.00	

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 13 of 21

Type Description	COA	Description	IE	Proc/Exp Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E05233	Materials and Contracts - Animal Control - Materials/Services - Consumables and Impounding Expenses	340	Materials Purc	\$25,500.00	\$12,750.00	\$6,786.00	\$3,409.27	\$25,500.00	
Operating Expenditure	E05235	Materials and Contracts - Animal Control - Materials - Printing and Stationery	340	Materials Purc	\$510.00	\$258.00	\$0.00	\$0.00	\$510.00	
Operating Expenditure	E07225	Materials and Contracts - Health Inspection & Admin - Materials - Furniture/Equipment Below Threshold	340	Materials Purc	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E07232	Works Costing - Maintenance - Other - Insecticides And Vermin Control - Pest Control	340	Materials Purc	\$0.00	\$0.00	\$124.00	\$0.00	\$0.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	340	Materials Purc	\$16,320.00	\$8,160.00	\$7,703.30	\$0.00	\$16,320.00	
Operating Expenditure	E08211	Materials and Contracts - Care Of Families & Children - Materials & Minor Equipment - CHSP Services	340	Materials Purc	\$5,100.00	\$2,550.00	\$407.73	\$0.00	\$5,100.00	
Operating Expenditure	E10201	Materials & Contracts - Sanitation - Household Refuse - Waste Education - Better Bins Plus: Go FOGO	340	Materials Purc	\$18,760.00	\$9,378.00	\$6,133.33	\$3,293.82	\$18,760.00	
Operating Expenditure	E10205	Works Costing - Maintenance - Plant & Equipment - Implementation of Strategic Waste Plan	340	Materials Purc	\$0.00	\$0.00	\$0.00	\$1,238.18	\$0.00	
Operating Expenditure	E10207	Materials and Contracts - Other Sanitation - Materials - Purchase Bins	340	Materials Purc	\$25,000.00	\$12,498.00	\$6,305.28	\$0.00	\$25,000.00	
Operating Expenditure	E10210	Works Costing - Maintenance - Plant & Equipment - Street Bin Maintenance	340	Materials Purc	\$0.00	\$0.00	\$4,529.80	\$0.00	\$0.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	340	Materials Purc	\$1,000.00	\$498.00	\$0.00	\$0.00	\$1,000.00	
Operating Expenditure	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	340	Materials Purc	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	340	Materials Purc	\$0.00	\$0.00	\$2,150.00	\$0.00	\$0.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	340	Materials Purc	\$0.00	\$0.00	\$20.00	\$0.00	\$0.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	340	Materials Purc	\$1,000.00	\$498.00	\$0.00	\$0.00	\$1,000.00	
Operating Expenditure	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Road Reserves	340	Materials Purc	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	340	Materials Purc	\$2,000.00	\$1,002.00	\$0.00	\$0.00	\$2,000.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	340	Materials Purc	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	340	Materials Purc	\$2,000.00	\$1,002.00	\$1,597.74	\$0.00	\$2,000.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	340	Materials Purc	\$0.00	\$0.00	\$2,141.09	\$6,300.00	\$0.00	
Operating Expenditure	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	340	Materials Purc	\$0.00	\$0.00	\$201.00	\$0.00	\$0.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	340	Materials Purc	\$1,000.00	\$498.00	\$0.00	\$0.00	\$1,000.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	340	Materials Purc	\$0.00	\$0.00	\$863.55	\$0.00	\$0.00	
Operating Expenditure	E11235	Works Costing - Maintenance - Parks & Ovals - Parks Equipment	340	Materials Purc	\$6,000.00	\$3,000.00	\$6,446.10	\$93.09	\$6,000.00	
Operating Expenditure	E11236	Works Costing - Maintenance - Parks & Ovals - East Fremantle Bowling Club	340	Materials Purc	\$0.00	\$0.00	\$426.45	\$0.00	\$0.00	
Operating Expenditure	E11241	Works Costing - Maintenance - Parks & Ovals - Lee Park	340	Materials Purc	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	340	Materials Purc	\$250.00	\$126.00	\$1,412.84	\$197.80	\$250.00	
Operating Expenditure	E11247	Works Costing - Maintenance - Plant & Equipment - Equipment Below Threshold	340	Materials Purc	\$8,000.00	\$4,002.00	\$1,533.41	\$0.00	\$8,000.00	
Operating Expenditure	E11258	Works Costing - Maintenance - Parks & Ovals - Foreshore Maintenance & Bush Regeneration	340	Materials Purc	\$1,000.00	\$498.00	\$0.00	\$0.00	\$1,000.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	340	Materials Purc	\$0.00	\$0.00	\$4,670.00	\$0.00	\$0.00	
Operating Expenditure	E11263	Works Costing - Maintenance - Other - East Fremantle Festival	340	Materials Purc	\$6,500.00	\$3,252.00	\$0.00	\$0.00	\$6,500.00	
Operating Expenditure	E11297	Works Costing - Maintenance - Buildings - Dovenby House	340	Materials Purc	\$500.00	\$252.00	\$290.11	\$0.00	\$500.00	
Operating Expenditure	E12215	Works Costing - Maintenance - Roads - Road & Street Maintenance	340	Materials Purc	\$10,000.00	\$4,998.00	\$9,088.64	\$0.00	\$10,000.00	
Operating Expenditure	E12230	Works Costing - Maintenance - Plant & Equipment - Works Equipment	340	Materials Purc	\$4,000.00	\$1,998.00	\$1,136.41	\$0.00	\$4,000.00	
Operating Expenditure	E12231	Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	340	Materials Purc	\$20,000.00	\$10,002.00	\$8,167.16	\$0.00	\$20,000.00	
Operating Expenditure	E12235	Works Costing - Maintenance - Roads - Verges Maintenance	340	Materials Purc	\$5,000.00	\$2,502.00	\$10,266.23	\$0.00	\$5,000.00	
Operating Expenditure	E12237	Works Costing - Maintenance - Roads - Kerbing	340	Materials Purc	\$0.00	\$0.00	\$108.82	\$0.00	\$0.00	
Operating Expenditure	E12255	Works Costing - Maintenance - Roads - Tree Replacements	340	Materials Purc	\$40,000.00	\$19,998.00	\$14,360.83	\$0.00	\$40,000.00	
Operating Expenditure	E12263	Works Costing - Maintenance - Drainage	340	Materials Purc	\$2,000.00	\$1,002.00	\$197.98	\$0.00	\$2,000.00	
Operating Expenditure	E12269	Works Costing - Maintenance - Roads - Street Name Plates & Furniture	340	Materials Purc	\$0.00	\$0.00	\$185.50	\$107.50	\$0.00	
Operating Expenditure	E12313	Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	340	Materials Purc	\$20,000.00	\$10,002.00	\$1,559.00	\$6,291.04	\$20,000.00	
Operating Expenditure	E14208	Materials and Contracts - Public Works Overheads - Materials - Protective Clothing and Safety and General Equip	340	Materials Purc	\$9,180.00	\$4,590.00	\$1,797.30	\$290.91	\$9,180.00	
Operating Expenditure	E14210	Works Costing - Maintenance - Other - Admin/Safety/Training	340	Materials Purc	\$5,000.00	\$2,502.00	\$1,109.13	\$2,272.73	\$5,000.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	340	Materials Purc	\$4,000.00	\$1,998.00	\$1,412.80	\$0.00	\$4,000.00	
Operating Expenditure	E14303	Works Costing - Maintenance - Plant & Equipment - Parts & Repairs - Plant Operating Costs	340	Materials Purc	\$2,000.00	\$1,002.00	\$287.72	\$136.36	\$2,000.00	
Operating Expenditure	E14305	Works Costing - Maintenance - Plant & Equipment - Fuel & Oil - Plant Operating Costs	340	Materials Purc	\$50,000.00	\$25,002.00	\$29,574.38	\$0.00	\$50,000.00	
Operating Expenditure	E14424	Works Costing - Maintenance - Other - Graffiti Removal	340	Materials Purc	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E14460	Works Costing - Maintenance - Buildings - General	340	Materials Purc	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	000005	Materials and Contracts - Administration - Activity Based Costing Allocated	440	Activity Based C	-\$2,980,061.00	-\$1,490,028.00	-\$1,538,872.98	\$0.00	-\$2,980,061.00	ABCs tracking slightly over budget
Operating Expenditure	003000	Materials and Contracts - Rate Revenue - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.90	\$0.00	\$74,502.00	
Operating Expenditure	003500	Materials and Contracts - Members Of Council - Activity Based Costing Allocated	440	Activity Based C	\$894,016.00	\$447,006.00	\$461,661.55	\$0.00	\$894,016.00	
Operating Expenditure	005000	Materials and Contracts - Other Law Order & Public Safety - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.90	\$0.00	\$74,502.00	
Operating Expenditure	007000	Materials and Contracts - Health Inspection & Admin - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.90	\$0.00	\$74,502.00	
Operating Expenditure	008500	Materials and Contracts - Care Of Families & Children - Activity Based Costing Allocated	440	Activity Based C	\$298,006.00	\$149,004.00	\$153,887.28	\$0.00	\$298,006.00	
Operating Expenditure	010000	Materials and Contracts - Sanitation-Household Refuse - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.89	\$0.00	\$74,502.00	
Operating Expenditure	010100	Materials and Contracts - Town Planning & Regional Development - Activity Based Costing Allocated	440	Activity Based C	\$298,006.00	\$149,004.00	\$153,887.28	\$0.00	\$298,006.00	
Operating Expenditure	010200	Materials and Contracts - Other Community Amenities - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.89	\$0.00	\$74,502.00	
Operating Expenditure	011100	Materials and Contracts - Other Recreation & Sport - Activity Based Costing Allocated	440	Activity Based C	\$298,006.00	\$149,004.00	\$153,887.28	\$0.00	\$298,006.00	
Operating Expenditure	012000	Materials and Contracts - Road Plant - Activity Based Costing Allocated	440	Activity Based C	\$298,006.00	\$149,004.00	\$153,887.28	\$0.00	\$298,006.00	
Operating Expenditure	012500	Materials and Contracts - Parking Facilities - Activity Based Costing Allocated	440	Activity Based C	\$149,003.00	\$74,502.00	\$76,943.66	\$0.00	\$149,003.00	
Operating Expenditure	013000	Materials and Contracts - Building Control - Activity Based Costing Allocated	440	Activity Based C	\$74,502.00	\$37,254.00	\$38,471.89	\$0.00	\$74,502.00	
Operating Expenditure	014000	Materials and Contracts - Public Works Overheads - Activity Based Costing Allocated	440	Activity Based C	\$298,006.00	\$149,004.00	\$153,887.28	\$0.00	\$298,006.00	
Operating Expenditure	E03257	Materials and Contracts - Rate Revenue - Legal Expenses - Rates Debt Recovery Costs	500	Services	\$20,000.00	\$10,002.00	\$192.50	\$4,545.45	\$20,000.00	

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 14 of 21

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E03258	Materials and Contracts - Rate Revenue - Service Contracts - Direct Costs Of Levying Rates	500	Services	\$15,300.00	\$7,650.00	\$12,114.84	\$0.00	\$15,300.00	
Operating Expenditure	E04202	Materials and Contracts - Administration - Service Contracts - Staff Health and Wellbeing Initiatives	500	Services	\$7,650.00	\$3,828.00	\$11,055.11	\$0.00	\$7,650.00	
Operating Expenditure	E04203	Materials and Contracts - Administration - Service Contracts - Strategic & Business Planning	500	Services	\$86,800.00	\$43,398.00	\$64,733.38	\$0.00	\$86,800.00	
Operating Expenditure	E04204	Materials and Contracts - Administration - Service Contracts - Implementation of OHS Work Plan and Cont. to WI	500	Services	\$10,000.00	\$4,998.00	\$2,150.00	\$0.00	\$10,000.00	
Operating Expenditure	E04208	Works Costing - Maintenance - Buildings - Town Hall	500	Services	\$15,000.00	\$7,500.00	\$4,999.47	\$4,889.78	\$15,000.00	
Operating Expenditure	E04209	Works Costing - Maintenance - Buildings - Office Maintenance	500	Services	\$50,000.00	\$25,002.00	\$23,535.17	\$0.00	\$50,000.00	
Operating Expenditure	E04210	Materials and Contracts - Administration - Service Contracts - Staff Placement and Relocation Fees	500	Services	\$10,200.00	\$5,100.00	\$7,919.87	\$0.00	\$10,200.00	
Operating Expenditure	E04211	Materials and Contracts - Administration - Materials - Printing & Stationery	500	Services	\$7,650.00	\$3,828.00	\$1,522.99	\$1,553.27	\$7,650.00	
Operating Expenditure	E04213	Materials and Contracts - Administration - Telephone and Internet	500	Services	\$36,414.00	\$18,210.00	\$13,454.71	\$12,323.82	\$36,414.00	
Operating Expenditure	E04215	Materials and Contracts - Administration - Advertising	500	Services	\$10,200.00	\$5,100.00	\$3,260.54	\$707.20	\$10,200.00	
Operating Expenditure	E04217	Materials and Contracts - Administration - Service Contracts - Photocopier Expenses and Servicing	500	Services	\$6,120.00	\$3,060.00	\$2,463.89	\$0.00	\$6,120.00	
Operating Expenditure	E04221	Materials and Contracts - Administration - Service Contracts - Computer System Support & Licenses	500	Services	\$302,007.00	\$151,002.00	\$201,173.77	\$0.00	\$302,007.00	Check
Operating Expenditure	E04227	Materials and Contracts - Administration - Service Contracts - Subscriptions - Admin	500	Services	\$59,060.00	\$29,532.00	\$53,764.47	\$1,211.43	\$59,060.00	
Operating Expenditure	E04230	Materials and Contracts - Administration - Postage and Freight	500	Services	\$20,400.00	\$10,200.00	\$7,592.11	\$0.00	\$20,400.00	
Operating Expenditure	E04235	Materials and Contracts - Administration - Service Contracts - Audit Fees	500	Services	\$56,100.00	\$28,050.00	-\$42,100.00	\$0.00	\$56,100.00	
Operating Expenditure	E04237	Materials and Contracts - Rate Revenue - Service Contracts - Valuation Expenses	500	Services	\$55,000.00	\$27,498.00	\$1,359.98	\$0.00	\$55,000.00	
Operating Expenditure	E04239	Materials and Contracts - Administration - Legal Expenses	500	Services	\$51,000.00	\$25,500.00	\$6,675.97	\$0.00	\$51,000.00	
Operating Expenditure	E04240	Materials and Contracts - Administration - Service Contracts - Internal and External Audit Projects	500	Services	\$10,000.00	\$4,998.00	\$0.00	\$0.00	\$10,000.00	
Operating Expenditure	E04245	Employee Costs - Administration - Staff Training and Conferences	500	Services	\$0.00	\$0.00	-\$950.00	\$450.00	\$0.00	
Operating Expenditure	E04248	Materials and Contracts - Administration - Service Contracts - Organisational Development	500	Services	\$25,500.00	\$12,750.00	\$11,710.00	\$3,236.36	\$25,500.00	
Operating Expenditure	E04250	Materials and Contracts - Administration - Service Contracts - Office Expenses	500	Services	\$8,000.00	\$4,002.00	\$4,730.43	\$6,615.55	\$8,000.00	
Operating Expenditure	E04251	Materials and Contracts - Administration - Service Contracts - Website and Intranet Development and Updates	500	Services	\$25,000.00	\$12,498.00	\$4,140.90	\$0.00	\$25,000.00	
Operating Expenditure	E04252	Other Expenditure - Members Of Council - Member Fees - Councillor Training Expenses	500	Services	\$0.00	\$0.00	\$1,860.00	\$0.00	\$0.00	
Operating Expenditure	E04258	Materials and Contracts - Members Of Council - Receptions and Refreshments	500	Services	\$48,450.00	\$24,228.00	\$37,311.36	\$0.00	\$58,450.00	Additional budget required?
Operating Expenditure	E04266	Materials and Contracts - Members of Council - Implementation of Communication and Engagement Strategy	500	Services	\$71,400.00	\$35,700.00	\$15,803.45	\$1,366.00	\$71,400.00	Separate out Functions v Council/Committee
Operating Expenditure	E05209	Employee Costs - Other Law Order & Public Safety - Training and Conferences - Rangers	500	Services	\$0.00	\$0.00	\$595.00	\$0.00	\$0.00	
Operating Expenditure	E05229	Materials and Contracts - Animal Control - Minor Expenditure	500	Services	\$510.00	\$258.00	\$0.00	\$0.00	\$510.00	
Operating Expenditure	E05233	Materials and Contracts - Animal Control - Materials/Services - Consumables and Impounding Expenses	500	Services	\$6,630.00	\$3,318.00	\$1,925.00	\$2,629.09	\$6,630.00	
Operating Expenditure	E05234	Materials and Contracts - Animal Control - Legal Expenses	500	Services	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E06201	Works Costing - Maintenance - Buildings - Pre School Buildings - Maintenance	500	Services	\$500.00	\$252.00	\$888.80	\$0.00	\$500.00	
Operating Expenditure	E07201	Works Costing - Maintenance - Buildings - EH Gray Centre (Old Infant Health Clinic)	500	Services	\$5,000.00	\$2,502.00	\$2,643.36	\$0.00	\$5,000.00	
Operating Expenditure	E07218	Materials and Contracts - Health Inspection & Admin - Service Contracts - Implementation of Public Health Plan	500	Services	\$5,100.00	\$2,550.00	\$1,157.44	\$721.87	\$5,100.00	
Operating Expenditure	E07221	Materials and Contracts - Health Inspection & Admin - Subscriptions	500	Services	\$7,446.00	\$3,726.00	\$8,112.72	\$7,290.00	\$7,446.00	
Operating Expenditure	E07223	Materials and Contracts - Health Inspection & Admin - Service Contracts - Noise Survey Expenses	500	Services	\$510.00	\$258.00	\$0.00	\$0.00	\$510.00	
Operating Expenditure	E07224	Materials and Contracts - Health Inspection & Admin - Service Contracts - Food Control Expenses	500	Services	\$2,040.00	\$1,020.00	\$1,751.91	\$0.00	\$2,040.00	
Operating Expenditure	E07227	Materials and Contracts - Health Inspection & Admin - Service Contracts - Emergency Management	500	Services	\$510.00	\$258.00	\$0.00	\$0.00	\$510.00	
Operating Expenditure	E07228	Materials and Contracts - Health Inspection & Admin - Service Contracts - Swimming Pool Inspection Fees	500	Services	\$0.00	\$0.00	\$292.00	\$1,095.00	\$0.00	
Operating Expenditure	E07232	Works Costing - Maintenance - Other - Insecticides And Vermin Control - Pest Control	500	Services	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	500	Services	\$46,855.00	\$23,430.00	\$4,388.34	\$6,004.22	\$46,855.00	
Operating Expenditure	E08220	Works Costing - Maintenance - Buildings - Glyde-In Community Group	500	Services	\$1,000.00	\$498.00	\$509.39	\$0.00	\$1,000.00	
Operating Expenditure	E08234	EF Community Centre Bldg - CHSP (Tricolore)	500	Services	\$20,000.00	\$10,002.00	\$3,161.44	\$0.00	\$20,000.00	
Operating Expenditure	E09201	Works Costing - Maintenance - Buildings - Allen St Units	500	Services	\$15,000.00	\$7,500.00	\$17,113.30	\$0.00	\$30,000.00	Increased maintenance issues
Operating Expenditure	E10100	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - FOGO	500	Services	\$182,340.00	\$91,170.00	\$77,018.13	\$0.00	\$182,340.00	Dec Waste Accrual Processed
Operating Expenditure	E10101	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - Recycling	500	Services	\$74,282.00	\$37,140.00	\$30,258.18	\$0.00	\$74,282.00	Actuals of \$405k v Full year budget of \$920k (44%) Small contingency available to offset movement in gate fees
Operating Expenditure	E10102	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - General Wa	500	Services	\$78,892.00	\$39,444.00	\$34,485.90	\$0.00	\$78,892.00	
Operating Expenditure	E10103	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs (Commercial	500	Services	\$3,193.00	\$1,596.00	\$1,210.58	\$0.00	\$3,193.00	
Operating Expenditure	E10104	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs (Commercial	500	Services	\$30,116.00	\$15,060.00	\$11,880.62	\$0.00	\$30,116.00	
Operating Expenditure	E10106	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - Parks & Resi	500	Services	\$23,817.00	\$11,910.00	\$9,887.92	\$0.00	\$23,817.00	
Operating Expenditure	E10107	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - Street Bins	500	Services	\$4,457.00	\$2,228.00	\$2,093.67	\$0.00	\$4,457.00	
Operating Expenditure	E10108	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Waste Collection Costs - Alexandra R	500	Services	\$12,817.00	\$6,408.00	\$6,534.73	\$0.00	\$12,817.00	
Operating Expenditure	E10109	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Gate Fees - Waste Disposal (Recyclin)	500	Services	\$110,160.00	\$55,080.00	\$40,062.68	\$0.00	\$110,160.00	
Operating Expenditure	E10110	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Gate Fees - Waste Disposal - General	500	Services	\$150,960.00	\$75,480.00	\$72,315.07	\$0.00	\$150,960.00	
Operating Expenditure	E10111	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Gate Fees - Waste Disposal - Fogo	500	Services	\$248,625.00	\$124,314.00	\$120,210.67	\$0.00	\$248,625.00	
Operating Expenditure	E10203	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Ratepayer Tip Pats Fees	500	Services	\$18,360.00	\$9,180.00	\$6,736.36	\$10,818.15	\$18,360.00	
Operating Expenditure	E10204	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - Annual Bulk & Green Waste	500	Services	\$89,250.00	\$44,628.00	\$73,916.30	\$0.00	\$95,000.00	How many bulk collections remaining?
Operating Expenditure	E10207	Materials and Contracts - Other Sanitation - Materials - Purchase Bins	500	Services	\$0.00	\$0.00	-\$292.88	\$0.00	\$0.00	
Operating Expenditure	E10208	Materials and Contracts - Other Sanitation - Service Contracts - Waste Removal - Bund (Wauhop)	500	Services	\$30,000.00	\$15,000.00	\$12,127.29	\$0.00	\$30,000.00	
Operating Expenditure	E10212	Materials and Contracts - Sanitation-Household Refuse - Service Contracts - City Of Fremantle Contributions - Wa	500	Services	\$95,000.00	\$47,502.00	\$0.00	\$0.00	\$95,000.00	
Operating Expenditure	E10214	Materials and Contracts - Town Planning & Regional Development - Advertising	500	Services	\$5,100.00	\$2,550.00	\$2,299.59	\$924.72	\$5,100.00	
Operating Expenditure	E10215	Materials and Contracts - Town Planning & Regional Development - Consultation	500	Services	\$204,000.00	\$102,000.00	\$75,252.75	\$0.00	\$204,000.00	
Operating Expenditure	E10217	Materials and Contracts - Town Planning & Regional Development - Legal Expenses	500	Services	\$5,100.00	\$2,550.00	\$981.00	\$382.64	\$5,100.00	
Operating Expenditure	E10218	Materials and Contracts - Other Community Amenities - Service Contracts - Public Conveniences	500	Services	\$7,500.00	\$3,750.00	\$3,864.28	\$385.45	\$7,500.00	

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 15 of 21

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E10223	Works Costing - Maintenance - Buildings - Sumpton Green - Child Care Hall	500	Services	\$5,000.00	\$2,502.00	\$3,287.08	\$0.00	\$5,000.00	
Operating Expenditure	E10224	Materials and Contracts - Town Planning & Regional Development - Service Contracts - Digitisation of Planning/B	500	Services	\$8,000.00	\$4,002.00	\$2,280.00	\$11,356.36	\$8,000.00	
Operating Expenditure	E10226	Materials and Contracts - Other Law Order & Public Safety - Ranger Initiatives and Events	500	Services	\$2,550.00	\$1,278.00	\$0.00	\$0.00	\$2,550.00	
Operating Expenditure	E10232	Materials and Contracts - Other Sanitation - Service Contracts - RRRC Overhead Contribution	500	Services	\$145,200.00	\$72,600.00	\$58,424.30	\$19,529.92	\$145,200.00	circa \$12k pm. ok
Operating Expenditure	E10240	Employee Costs - Town Planning & Regional Development - Training and Conferences	500	Services	\$0.00	\$0.00	\$0.00	\$1,307.27	\$0.00	
Operating Expenditure	E10243	Materials and Contracts - Other Community Amenities - Service Contracts - Heritage Trail	500	Services	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E10251	Materials and Contracts - Swimming Areas/Beaches - Service Contracts - Mooring Pens Management Fees	500	Services	\$1,387.00	\$696.00	\$2,272.55	\$340.03	\$1,387.00	
Operating Expenditure	E10252	Works Costing - Maintenance - Bus Shelters	500	Services	\$5,000.00	\$2,502.00	\$0.00	\$0.00	\$5,000.00	
Operating Expenditure	E10253	Materials and Contracts - Other Community Amenities - Implementation of Community Climate Action Plan	500	Services	\$10,200.00	\$5,100.00	\$5,604.20	\$0.00	\$10,200.00	
Operating Expenditure	E10258	Materials and Contracts - Town Planning & Regional Development - Consultation - Community Design Advisory C	500	Services	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E10260	Materials and Contracts - Protection Of The Environment - Service Contracts - Fire Mitigation	500	Services	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E10267	Works Costing - Maintenance - Parks & Ovals - Riverside Boat Ramps & Boat Pens	500	Services	\$70,000.00	\$34,998.00	\$13,956.94	\$0.00	\$50,000.00	Reduced pylion replacement
Operating Expenditure	E10644	Materials and Contracts - Protection of the Environment - Service Contracts - Foreshore Erosion Control and Seaw	500	Services	\$245,000.00	\$122,502.00	\$170,098.89	\$1,040.00	\$245,000.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	500	Services	\$1,000.00	\$498.00	\$3,300.00	\$0.00	\$1,000.00	
Operating Expenditure	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	500	Services	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	E11206	Works Costing - Maintenance - Parks & Ovals - W.H. Kitson Park	500	Services	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	500	Services	\$10,000.00	\$4,998.00	\$1,040.00	\$823.64	\$10,000.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	500	Services	\$1,500.00	\$750.00	\$110.00	\$0.00	\$1,500.00	
Operating Expenditure	E11209	Works Costing - Maintenance - Parks & Ovals - W. W. Wayman Reserve	500	Services	\$250.00	\$126.00	\$5,749.79	\$0.00	\$250.00	
Operating Expenditure	E11210	Works Costing - Maintenance - Buildings - Camp Waller	500	Services	\$2,000.00	\$1,002.00	\$29.55	\$0.00	\$2,000.00	
Operating Expenditure	E11211	Works Costing - Maintenance - Buildings - Hurricanes	500	Services	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	E11212	Works Costing - Maintenance - Buildings - East Fremantle Tennis Club	500	Services	\$500.00	\$252.00	\$1,136.65	\$0.00	\$500.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	500	Services	\$5,000.00	\$2,502.00	\$14,003.64	\$0.00	\$5,000.00	Check
Operating Expenditure	E11214	Works Costing - Maintenance - Parks & Ovals - Riverside Road Reserves	500	Services	\$5,000.00	\$2,502.00	\$8.33	\$0.00	\$5,000.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	500	Services	\$10,000.00	\$4,998.00	\$17,800.05	\$3,200.00	\$10,000.00	Check
Operating Expenditure	E11216	Works Costing - Maintenance - Parks & Ovals - Town Hall Reserve	500	Services	\$2,000.00	\$1,002.00	\$1,539.00	\$1,539.00	\$2,000.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	500	Services	\$7,500.00	\$3,750.00	\$33,886.00	\$1,827.00	\$7,500.00	Check
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	500	Services	\$10,000.00	\$4,998.00	\$1,804.48	\$909.09	\$10,000.00	
Operating Expenditure	E11221	Works Costing - Maintenance - Parks & Ovals - East Fremantle Croquet Club	500	Services	\$1,000.00	\$498.00	\$627.42	\$272.73	\$1,000.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	500	Services	\$1,000.00	\$498.00	\$8,247.50	\$0.00	\$1,000.00	Check
Operating Expenditure	E11223	Works Costing - Maintenance - Parks & Ovals - E. I. Chapman Reserve	500	Services	\$500.00	\$252.00	\$110.00	\$0.00	\$500.00	
Operating Expenditure	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	500	Services	\$1,000.00	\$498.00	\$110.00	\$0.00	\$1,000.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	500	Services	\$1,000.00	\$498.00	\$330.00	\$0.00	\$1,000.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	500	Services	\$2,500.00	\$1,248.00	\$2,579.60	\$0.00	\$2,500.00	
Operating Expenditure	E11228	Materials and Contracts - Other Culture - Service Contracts - Community Events (In Addition to the E.F. Festival)	500	Services	\$17,340.00	\$8,670.00	\$3,740.07	\$0.00	\$17,340.00	
Operating Expenditure	E11231	Materials and Contracts - Other Culture - Service Contracts - Business and Community Support Initiatives	500	Services	\$1,000.00	\$498.00	\$1,306.04	\$0.00	\$1,000.00	
Operating Expenditure	E11232	Works Costing - Maintenance - Parks & Ovals - RSL Memorial Rose Garden	500	Services	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E11235	Works Costing - Maintenance - Parks & Ovals - Parks Equipment	500	Services	\$2,000.00	\$1,002.00	\$2,140.77	\$0.00	\$2,000.00	
Operating Expenditure	E11236	Works Costing - Maintenance - Parks & Ovals - East Fremantle Bowling Club	500	Services	\$1,500.00	\$750.00	\$1,104.91	\$0.00	\$1,500.00	
Operating Expenditure	E11241	Works Costing - Maintenance - Parks & Ovals - Lee Park	500	Services	\$2,000.00	\$1,002.00	\$772.18	\$0.00	\$2,000.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	500	Services	\$3,000.00	\$1,500.00	\$894.97	\$454.55	\$3,000.00	
Operating Expenditure	E11246	Materials and Contracts - Other Recreation & Sport - Service Contracts - East Fremantle Oval Masterplan	500	Services	\$0.00	\$0.00	\$0.00	\$706,432.00	\$0.00	Incorrect PO
Operating Expenditure	E11247	Works Costing - Maintenance - Plant & Equipment - Equipment Below Threshold	500	Services	\$2,000.00	\$1,002.00	\$0.00	\$0.00	\$2,000.00	
Operating Expenditure	E11257	Works Costing - Maintenance - Parks & Ovals - George Booth Park	500	Services	\$250.00	\$126.00	\$0.00	\$0.00	\$250.00	
Operating Expenditure	E11258	Works Costing - Maintenance - Parks & Ovals - Foreshore Maintenance & Bush Regeneration	500	Services	\$1,000.00	\$498.00	\$0.00	\$0.00	\$1,000.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	500	Services	\$2,500.00	\$1,248.00	\$910.22	\$0.00	\$2,500.00	
Operating Expenditure	E11261	Materials and Contracts - Other Recreation & Sport - Service Contracts - Implementation of Reconciliation Action	500	Services	\$20,400.00	\$10,200.00	\$7,236.82	\$0.00	\$20,400.00	
Operating Expenditure	E11263	Works Costing - Maintenance - Other - East Fremantle Festival	500	Services	\$103,500.00	\$103,500.00	\$114,209.81	\$0.00	\$103,500.00	
Operating Expenditure	E11264	Materials and Contracts - Other Culture - Service Contracts - Youth Initiatives and Events	500	Services	\$15,000.00	\$7,500.00	\$200.00	\$0.00	\$15,000.00	
Operating Expenditure	E11270	Works Costing - Maintenance - Parks & Ovals - Niergarup Track	500	Services	\$10,000.00	\$4,998.00	\$8,109.55	\$0.00	\$20,000.00	Additional works required
Operating Expenditure	E11272	Materials and contracts - Other Culture - Service Contracts - Public Art Maintenance	500	Services	\$5,000.00	\$2,502.00	\$0.00	\$0.00	\$5,000.00	
Operating Expenditure	E11294	Works Costing - Maintenance - Parks & Ovals - Marjorie Green Park	500	Services	\$500.00	\$252.00	\$0.00	\$0.00	\$500.00	
Operating Expenditure	E11295	Materials and Contracts - Other Recreation & Sport - Implementation of Urban Canopy Program	500	Services	\$24,823.00	\$24,823.00	\$22,144.48	\$2,678.00	\$24,823.00	
Operating Expenditure	E11297	Works Costing - Maintenance - Buildings - Dovenby House	500	Services	\$4,000.00	\$1,998.00	\$2,150.00	\$890.00	\$4,000.00	
Operating Expenditure	E11298	Materials and contracts - Other Culture - Historical Research Services (Museum of Perth)	500	Services	\$8,000.00	\$4,002.00	\$0.00	\$0.00	\$8,000.00	
Operating Expenditure	E12215	Works Costing - Maintenance - Roads - Road & Street Maintenance	500	Services	\$15,000.00	\$7,500.00	\$47,684.73	\$15,228.64	\$15,000.00	Check
Operating Expenditure	E12230	Works Costing - Maintenance - Plant & Equipment - Works Equipment	500	Services	\$0.00	\$0.00	\$140.96	\$0.00	\$0.00	
Operating Expenditure	E12231	Works Costing - Maintenance - Footpaths & Cycleways - Footpath & Cycleways	500	Services	\$45,000.00	\$22,500.00	\$37,761.79	\$7,640.00	\$45,000.00	Check
Operating Expenditure	E12234	Materials and Contracts - Maint Streets Roads & Bridges - Service Contracts - Street Sweeping	500	Services	\$70,000.00	\$34,998.00	\$22,756.20	\$4,462.00	\$50,000.00	Reduced budget/scope
Operating Expenditure	E12235	Works Costing - Maintenance - Roads - Verges Maintenance	500	Services	\$10,000.00	\$4,998.00	\$29,198.93	\$2,300.00	\$10,000.00	Check
Operating Expenditure	E12236	Works Costing - Maintenance - Roads - Street Cleaning	500	Services	\$0.00	\$0.00	\$3,544.93	\$0.00	\$0.00	
Operating Expenditure	E12237	Works Costing - Maintenance - Roads - Kerbing	500	Services	\$2,500.00	\$1,248.00	\$0.00	\$0.00	\$2,500.00	
Operating Expenditure	E12245	Works Costing - Maintenance - Roads - Street Trees	500	Services	\$45,000.00	\$22,500.00	\$17,925.20	\$0.00	\$45,000.00	

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 16 of 21

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E12255	Works Costing - Maintenance - Roads - Tree Replacements	500	Services	\$5,000.00	\$2,502.00	\$2,031.40	\$0.00	\$5,000.00	
Operating Expenditure	E12256	Works Costing - Maintenance - Roads - Street Tree Watering	500	Services	\$65,000.00	\$32,502.00	\$1,624.08	\$40,949.38	\$65,000.00	
Operating Expenditure	E12260	Works Costing - Maintenance - Roads - Crossovers	500	Services	\$2,500.00	\$1,248.00	\$0.00	\$0.00	\$2,500.00	
Operating Expenditure	E12263	Works Costing - Maintenance - Drainage	500	Services	\$17,500.00	\$8,748.00	\$7,689.22	\$0.00	\$17,500.00	
Operating Expenditure	E12269	Works Costing - Maintenance - Roads - Street Name Plates & Furniture	500	Services	\$0.00	\$0.00	\$645.00	\$0.00	\$0.00	
Operating Expenditure	E12311	Materials and Contracts - Parking Facilities - Service Contracts - Equipment Repairs & Maintenance	500	Services	\$10,200.00	\$5,100.00	\$4,039.12	\$0.00	\$10,200.00	
Operating Expenditure	E12313	Works Costing - Maintenance - Car Parks - Implementation of Integrated Traffic Management Study	500	Services	\$40,000.00	\$19,998.00	\$700.00	\$5,900.00	\$40,000.00	Status of projects?
Operating Expenditure	E12317	Materials and Contracts - Parking Facilities - Service Contracts - Towing Expenses	500	Services	\$250.00	\$126.00	\$269.09	\$169.09	\$250.00	
Operating Expenditure	E12320	Materials and Contracts - Parking Facilities - Sundry Expenses	500	Services	\$5,100.00	\$2,550.00	\$897.90	\$2,102.10	\$5,100.00	
Operating Expenditure	E13205	Materials and Contracts - Building Control - Service Contracts - Control Expenses - All Other	500	Services	\$10,200.00	\$5,100.00	\$600.00	\$10,000.00	\$10,200.00	
Operating Expenditure	E14204	Materials and Contracts - Public Works Overheads - Consultation - Operations	500	Services	\$18,000.00	\$9,000.00	\$0.00	\$0.00	\$18,000.00	
Operating Expenditure	E14210	Works Costing - Maintenance - Other - Admin/Safety/Training	500	Services	\$3,000.00	\$1,500.00	\$1,727.42	\$0.00	\$3,000.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	500	Services	\$20,000.00	\$10,002.00	\$19,345.59	\$2,367.53	\$20,000.00	
Operating Expenditure	E14302	Works Costing - Maintenance - Plant & Equipment - Tyres & Tubes - Plant Operating Costs	500	Services	\$750.00	\$378.00	\$1,263.63	\$0.00	\$750.00	
Operating Expenditure	E14303	Works Costing - Maintenance - Plant & Equipment - Parts & Repairs - Plant Operating Costs	500	Services	\$35,000.00	\$17,502.00	\$12,654.84	\$0.00	\$35,000.00	
Operating Expenditure	E14423	Works Costing - Maintenance - Other - Recoverable Works	500	Services	\$2,000.00	\$1,002.00	\$0.00	\$0.00	\$2,000.00	
Operating Expenditure	E14424	Works Costing - Maintenance - Other - Graffiti Removal	500	Services	\$15,000.00	\$7,500.00	\$4,983.00	\$720.00	\$15,000.00	
Operating Expenditure	E14438	Materials and Contracts - Unclassified Property - Service Contracts - Implementation of Asbestos Register Actions	500	Services	\$10,000.00	\$4,998.00	\$0.00	\$0.00	\$10,000.00	
Operating Expenditure	E14451	Materials and Contracts - Unclassified Property - Selling Costs 128 George Street	500	Services	\$0.00	\$0.00	\$32,608.58	\$259.76	\$33,000.00	New budget
Operating Expenditure	E14460	Works Costing - Maintenance - Buildings - General	500	Services	\$15,000.00	\$7,500.00	\$1,174.98	\$1,818.18	\$15,000.00	
Operating Expenditure	E14461	Works Costing - Maintenance - Buildings - 128 George Street	500	Services	\$1,000.00	\$498.00	\$507.21	\$0.00	\$1,000.00	
Operating Expenditure	E14462	Works Costing - Maintenance - Buildings - Old Police Station	500	Services	\$14,000.00	\$7,002.00	\$1,661.32	\$0.00	\$14,000.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	510	Volunteer Meal	\$4,000.00	\$1,998.00	\$1,006.85	\$909.09	\$4,000.00	
					\$4,081,721.00	\$2,119,086.00	\$1,984,643.45	\$442,408.61	\$4,115,471.00	Overall actuals 48.62% of full year budget/ Spot on
Utilities										
Operating Expenditure	E04209	Works Costing - Maintenance - Buildings - Office Maintenance	360	Public Utilities	\$25,375.00	\$12,690.00	\$6,300.94	\$0.00	\$25,375.00	Check status of utilities
Operating Expenditure	E04213	Materials and contracts - Administration - Telephone and Internet	360	Public Utilities	\$0.00	\$0.00	\$4,311.13	\$0.00	\$0.00	involving with AP as favourable
Operating Expenditure	E06201	Works Costing - Maintenance - Buildings - Pre School Buildings - Maintenance	360	Public Utilities	\$2,625.00	\$1,314.00	\$0.00	\$0.00	\$2,625.00	timing variance??
Operating Expenditure	E07201	Works Costing - Maintenance - Buildings - EH Gray Centre (Old Infant Health Clinic)	360	Public Utilities	\$1,050.00	\$528.00	\$0.00	\$0.00	\$1,050.00	
Operating Expenditure	E07220	Utility Charges - Health Inspection & Admin - Telephone Expenses	360	Public Utilities	\$0.00	\$0.00	\$136.35	\$0.00	\$0.00	
Operating Expenditure	E08210	HACC Service Unit - All Service Programs - Op Exp	360	Public Utilities	\$3,000.00	\$1,500.00	\$2,739.75	\$0.00	\$3,000.00	
Operating Expenditure	E08220	Works Costing - Maintenance - Buildings - Glyde-In Community Group	360	Public Utilities	\$315.00	\$156.00	\$0.00	\$0.00	\$315.00	
Operating Expenditure	E08234	EP Community Centre Bldg - CHSP (Tricolore)	360	Public Utilities	\$1,050.00	\$528.00	\$0.00	\$0.00	\$1,050.00	
Operating Expenditure	E09201	Works Costing - Maintenance - Buildings - Allen St Units	360	Public Utilities	\$6,300.00	\$3,150.00	\$0.00	\$0.00	\$6,300.00	
Operating Expenditure	E10223	Works Costing - Maintenance - Buildings - Sumpton Green - Child Care Hall	360	Public Utilities	\$2,625.00	\$1,314.00	\$0.00	\$0.00	\$2,625.00	
Operating Expenditure	E10267	Works Costing - Maintenance - Parks & Ovals - Riverside Boat Ramps & Boat Pens	360	Public Utilities	\$9,450.00	\$4,728.00	\$3,452.97	\$0.00	\$9,450.00	
Operating Expenditure	E11204	Works Costing - Maintenance - Parks & Ovals - Merv Cowan Park	360	Public Utilities	\$6,825.00	\$3,414.00	\$3,263.93	\$0.00	\$6,825.00	
Operating Expenditure	E11205	Works Costing - Maintenance - Parks & Ovals - J. Dolan Park	360	Public Utilities	\$945.00	\$474.00	\$452.49	\$0.00	\$945.00	
Operating Expenditure	E11207	Works Costing - Maintenance - Parks & Ovals - John Tonkin Park	360	Public Utilities	\$1,575.00	\$786.00	\$678.33	\$0.00	\$1,575.00	
Operating Expenditure	E11208	Works Costing - Maintenance - Parks & Ovals - Norm McKenzie Park	360	Public Utilities	\$1,050.00	\$528.00	\$329.75	\$0.00	\$1,050.00	
Operating Expenditure	E11211	Works Costing - Maintenance - Buildings - Hurricanes	360	Public Utilities	\$1,050.00	\$528.00	\$551.62	\$0.00	\$1,050.00	
Operating Expenditure	E11212	Works Costing - Maintenance - Buildings - East Fremantle Tennis Club	360	Public Utilities	\$788.00	\$396.00	\$0.00	\$0.00	\$788.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	360	Public Utilities	\$10,500.00	\$5,250.00	\$264.12	\$0.00	\$10,500.00	
Operating Expenditure	E11215	Works Costing - Maintenance - Parks & Ovals - Henry Jeffery Oval	360	Public Utilities	\$8,925.00	\$4,464.00	\$683.85	\$0.00	\$8,925.00	
Operating Expenditure	E11217	Works Costing - Maintenance - Parks & Ovals - East Fremantle Lacrosse	360	Public Utilities	\$8,400.00	\$4,200.00	\$2,647.55	\$0.00	\$8,400.00	
Operating Expenditure	E11219	Works Costing - Maintenance - Parks & Ovals - Wauhop Park	360	Public Utilities	\$15,750.00	\$7,878.00	\$1,503.03	\$0.00	\$15,750.00	
Operating Expenditure	E11221	Works Costing - Maintenance - Parks & Ovals - East Fremantle Croquet Club	360	Public Utilities	\$1,050.00	\$528.00	\$0.00	\$0.00	\$1,050.00	
Operating Expenditure	E11222	Works Costing - Maintenance - Parks & Ovals - Gourley Park	360	Public Utilities	\$1,050.00	\$528.00	\$209.58	\$0.00	\$1,050.00	
Operating Expenditure	E11225	Works Costing - Maintenance - Parks & Ovals - Stratford Street Park	360	Public Utilities	\$788.00	\$396.00	\$228.03	\$0.00	\$788.00	
Operating Expenditure	E11226	Works Costing - Maintenance - Parks & Ovals - Ulrich Park	360	Public Utilities	\$788.00	\$396.00	\$263.61	\$0.00	\$788.00	
Operating Expenditure	E11227	Works Costing - Maintenance - Parks & Ovals - Locke Park	360	Public Utilities	\$3,675.00	\$1,836.00	\$883.55	\$0.00	\$3,675.00	
Operating Expenditure	E11232	Works Costing - Maintenance - Parks & Ovals - RSL Memorial Rose Garden	360	Public Utilities	\$1,575.00	\$786.00	\$0.00	\$0.00	\$1,575.00	
Operating Expenditure	E11241	Works Costing - Maintenance - Parks & Ovals - Lee Park	360	Public Utilities	\$735.00	\$366.00	\$232.31	\$0.00	\$735.00	
Operating Expenditure	E11242	Works Costing - Maintenance - Parks & Ovals - Glasson Park	360	Public Utilities	\$1,575.00	\$786.00	\$259.57	\$0.00	\$1,575.00	
Operating Expenditure	E11259	Works Costing - Maintenance - Parks & Ovals - Raceway Park / Richmond Park	360	Public Utilities	\$1,050.00	\$528.00	\$389.35	\$0.00	\$1,050.00	
Operating Expenditure	E12233	Utility Charges - Maint Streets Roads & Bridges - Street Lighting	360	Public Utilities	\$130,750.00	\$65,376.00	\$52,368.82	\$0.00	\$130,750.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	360	Public Utilities	\$5,250.00	\$2,628.00	\$2,069.71	\$0.00	\$5,250.00	
Operating Expenditure	E14461	Works Costing - Maintenance - Buildings - 128 George Street	360	Public Utilities	\$2,625.00	\$1,314.00	\$451.58	\$0.00	\$2,625.00	
Operating Expenditure	E14462	Works Costing - Maintenance - Buildings - Old Police Station	360	Public Utilities	\$525.00	\$264.00	\$0.00	\$0.00	\$525.00	
					\$259,034.00	\$129,558.00	\$84,671.92	\$0.00	\$259,034.00	
Insurance										
Operating Expenditure	E04207	Insurance Expenses - Administration - General	365	Insurance	\$119,985.00	\$119,985.00	\$113,678.02	\$0.00	\$119,985.00	
Operating Expenditure	E04262	Insurance Expenses - Members Of Council - General	365	Insurance	\$44,056.00	\$44,056.00	\$40,947.22	\$0.00	\$44,056.00	

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	E06201	Works Costing - Maintenance - Buildings - Pre School Buildings - Maintenance	365	Insurance	\$1,953.00	\$1,953.00	\$1,496.98	\$0.00	\$1,953.00	
Operating Expenditure	E06203	Works Costing - Maintenance - Buildings - E.F. 4Yr Old P/Group JP Mckenzie	365	Insurance	\$1,199.00	\$1,199.00	\$917.98	\$0.00	\$1,199.00	
Operating Expenditure	E07201	Works Costing - Maintenance - Buildings - EH Gray Centre (Old Infant Health Clinic)	365	Insurance	\$1,156.00	\$1,156.00	\$884.57	\$0.00	\$1,156.00	
Operating Expenditure	E08220	Works Costing - Maintenance - Buildings - Glyde-In Community Group	365	Insurance	\$881.00	\$881.00	\$674.70	\$0.00	\$881.00	
Operating Expenditure	E08234	EF Community Centre Bldg - CHSP (Tricolore)	365	Insurance	\$2,998.00	\$2,998.00	\$3,198.82	\$0.00	\$2,998.00	
Operating Expenditure	E09201	Works Costing - Maintenance - Buildings - Allen St Units	365	Insurance	\$1,642.00	\$1,642.00	\$1,256.94	\$0.00	\$1,642.00	
Operating Expenditure	E10267	Works Costing - Maintenance - Parks & Ovals - Riverside Boat Ramps & Boat Pans	365	Insurance	\$0.00	\$0.00	\$2,177.50	\$0.00	\$0.00	
Operating Expenditure	E11210	Works Costing - Maintenance - Buildings - Camp Waller	365	Insurance	\$1,198.00	\$1,198.00	\$1,135.30	\$0.00	\$1,198.00	
Operating Expenditure	E11211	Works Costing - Maintenance - Buildings - Hurricanes	365	Insurance	\$770.00	\$770.00	\$729.84	\$0.00	\$770.00	
Operating Expenditure	E11213	Works Costing - Maintenance - Parks & Ovals - East Fremantle Oval	365	Insurance	\$2,682.00	\$2,682.00	\$11,370.94	\$0.00	\$2,682.00	Check Insurance Allocation - Advise LGIS Buildings Demolished - Seek Refund
Operating Expenditure	E11262	Insurance Expense - Other Culture - Building Insurance - Community Facilities	365	Insurance	\$11,320.00	\$11,320.00	\$10,804.82	\$0.00	\$11,320.00	
Operating Expenditure	E14207	Insurance Expenses - Public Works Overheads - General	365	Insurance	\$1,563.00	\$1,563.00	\$1,197.96	\$0.00	\$1,563.00	
Operating Expenditure	E14303	Works Costing - Maintenance - Plant & Equipment - Parts & Repairs - Plant Operating Costs	365	Insurance	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	
Operating Expenditure	E14304	Works Costing - Maintenance - Plant & Equipment - Insurance & Licences - Plant Operating Costs	365	Insurance	\$20,997.00	\$20,997.00	\$25,797.40	\$0.00	\$20,997.00	
Operating Expenditure	E14460	Works Costing - Maintenance - Buildings - General	365	Insurance	\$14,712.00	\$14,712.00	\$2,473.44	\$0.00	\$14,712.00	Building sold
Operating Expenditure	E14461	Works Costing - Maintenance - Buildings - 128 George Street	365	Insurance	\$556.00	\$556.00	\$425.74	\$0.00	\$556.00	
Operating Expenditure	E14462	Works Costing - Maintenance - Buildings - Old Police Station	365	Insurance	\$1,233.00	\$1,233.00	\$943.92	\$0.00	\$1,233.00	
					\$228,901.00	\$228,901.00	\$220,412.09	\$0.00	\$228,901.00	Possible \$8k favourable variance if required
Other Expenditure										
Operating Expenditure	E04270	Other Expenditure - Members Of Council - Contributions - Community Assistance Grants	370	Contributions, C	\$15,000.00	\$7,500.00	\$9,642.87	\$5,138.82	\$15,000.00	
Operating Expenditure	E08203	Other Expenditure - Members Of Council - Contributions - Donations - All Other	370	Contributions, C	\$10,200.00	\$5,100.00	\$2,500.00	\$0.00	\$10,200.00	
Operating Expenditure	E08205	Other Expenditure - Other Welfare - Contributions - Glyde-In Centre Council	370	Contributions, C	\$89,982.00	\$89,982.00	\$44,991.00	\$0.00	\$89,982.00	
Operating Expenditure	E10225	Other Expenditure - Other Sanitation - Contributions - Regional Waste Management	370	Contributions, C	\$28,901.00	\$14,450.00	\$7,426.00	\$0.00	\$28,901.00	
Operating Expenditure	E11249	Other Expenditure - Libraries - Contributions - City Of Fremantle Library Shared Service	370	Contributions, C	\$153,000.00	\$153,000.00	\$149,988.87	\$0.00	\$153,000.00	
Operating Expenditure	E11252	Other Expenditure - Other Recreation & Sport - Contributions - EFCB Operating Subsidy	370	Contributions, C	\$22,440.00	\$22,440.00	\$22,000.00	\$0.00	\$22,440.00	
Operating Expenditure	E14444	Other Expenditure - Unclassified Property - Contributions - South West Group - Local Auth & Projects	370	Contributions, C	\$51,000.00	\$25,500.00	\$19,605.00	\$19,605.00	\$51,000.00	
Operating Expenditure	E01622	Other Expenditure - Administration - Bank Fees - Merchant Banks - GST Applied	390	Other Expenses	\$35,000.00	\$17,502.00	\$17,842.22	\$0.00	\$35,000.00	
Operating Expenditure	E03259	Other Expenditure - Rate Revenue - Rates - Write-Offs	390	Other Expenses	\$6,120.00	\$3,060.00	\$935.34	\$0.00	\$6,120.00	
Operating Expenditure	E04232	Other Expenditure - Administration - Sundry Expenses - Debtor Write Offs	390	Other Expenses	\$10,200.00	\$5,100.00	\$0.00	\$0.00	\$10,200.00	
Operating Expenditure	E04250	Materials and Contracts - Administration - Service Contracts - Office Expenses	390	Other Expenses	\$0.00	\$0.00	-\$0.60	\$0.00	\$0.00	
Operating Expenditure	E04252	Other Expenditure - Members Of Council - Member Fees - Councillor Training Expenses	390	Other Expenses	\$36,720.00	\$18,360.00	\$1,240.91	\$0.00	\$36,720.00	
Operating Expenditure	E04253	Other Expenditure - Members Of Council - Member Fees - Mayor/Councillors Sitting Fees	390	Other Expenses	\$151,980.00	\$75,990.00	\$75,990.00	\$0.00	\$151,980.00	
Operating Expenditure	E04255	Other Expenditure - Members Of Council - Member Fees - Deputy Mayoral Allowance	390	Other Expenses	\$7,140.00	\$3,570.00	\$3,570.00	\$0.00	\$7,140.00	
Operating Expenditure	E04256	Other Expenditure - Members Of Council - Member Fees - Mayoral Allowance	390	Other Expenses	\$28,560.00	\$14,280.00	\$14,280.00	\$0.00	\$28,560.00	
Operating Expenditure	E04268	Other Expenditure - Members Of Council - Member Fees - Members ICT Allowance and Expenses	390	Other Expenses	\$31,500.00	\$15,750.00	\$15,749.82	\$0.00	\$31,500.00	
Operating Expenditure	E10229	Other Expenditure - Town Planning & Regional Development - Sundry Expenses - Refunds	390	Other Expenses	\$1,020.00	\$510.00	\$0.00	\$0.00	\$1,020.00	
Operating Expenditure	E11250	Materials and Contracts - Other Recreation & Sport - Service Contracts - License Fee - East Fremantle Rowing Club	390	Other Expenses	\$3,500.00	\$3,500.00	\$4,495.40	\$0.00	\$3,500.00	
Operating Expenditure	E12315	Other Expenditure - Parking Facilities - Sundry Expenses - Fines Enforcement Recovery Costs	390	Other Expenses	\$5,100.00	\$2,550.00	\$3,564.00	\$0.00	\$5,100.00	
Operating Expenditure	E05202	Other Expenditure - Fire Prevention - ESL on Council Owned Property	395	Government Fe	\$13,974.00	\$13,974.00	\$14,533.03	\$0.00	\$13,974.00	
Operating Expenditure	E13206	Other Expenditure - Building Control - Building Services Levy	395	Government Fe	\$40,800.00	\$20,400.00	\$17,459.47	\$0.00	\$40,800.00	
Operating Expenditure	E13207	Other Expenditure - Building Control - BCITF Payments	395	Government Fe	\$25,500.00	\$12,750.00	\$5,530.67	\$0.00	\$25,500.00	
Operating Expenditure	E14242	Works Costing - Maintenance - Buildings - Depot	395	Government Fe	\$0.00	\$0.00	\$21.39	\$0.00	\$0.00	
Operating Expenditure	E14303	Works Costing - Maintenance - Plant & Equipment - Parts & Repairs - Plant Operating Costs	395	Government Fe	\$0.00	\$0.00	\$8,760.52	\$0.00	\$0.00	
Operating Expenditure	E14304	Works Costing - Maintenance - Plant & Equipment - Insurance & Licences - Plant Operating Costs	395	Government Fe	\$8,160.00	\$8,160.00	\$0.00	\$0.00	\$8,160.00	
					\$775,797.00	\$533,428.00	\$440,125.91	\$24,743.82	\$775,797.00	
Interest Expenses										
Operating Expenditure	E10221	Interest Expenses - Sanitation-Household Refuse - SMRC - Loan Interest Repayments	380	Interest & Finan	\$8,250.00	\$4,128.00	\$1,440.44	\$0.00	\$8,250.00	
Operating Expenditure	E11269	Interest Expenses - Swimming Areas/Beaches - Sea Bed Lease	380	Interest & Finan	\$8,000.00	\$4,002.00	\$0.00	\$0.00	\$8,000.00	EOY Accounting Adjustment
					\$16,250.00	\$8,130.00	\$1,440.44	\$0.00	\$16,250.00	
Depreciation										
Operating Expenditure	004121	Non-Cash - Maint Streets Roads & Bridges - Depreciation - Infrastructure Roads	600	Depreciation - I	\$314,829.00	\$157,416.00	\$131,969.62	\$0.00	\$314,829.00	Current Depreciation pro-rated for full year to the right. Variance immaterial, majority of assets not yet capitalised. Current budget retained
Operating Expenditure	004121	Non-Cash - Maint Streets Roads & Bridges - Depreciation - Infrastructure Roads	601	Depreciation - I	\$55,645.00	\$27,822.00	\$23,339.00	\$0.00	\$55,645.00	
Operating Expenditure	004115	Non-Cash - Other Recreation & Sport - Depreciation - Parks & Ovals	602	Depreciation - I	\$117,101.00	\$58,548.00	\$49,759.89	\$0.00	\$117,101.00	
Operating Expenditure	004121	Non-Cash - Maint Streets Roads & Bridges - Depreciation - Infrastructure Roads	603	Depreciation - I	\$89,520.00	\$44,760.00	\$37,347.59	\$0.00	\$89,520.00	
Operating Expenditure	004109	Non-Cash - Other Community Amenities - Depreciation	604	Depreciation - I	\$8,299.00	\$4,152.00	\$3,478.69	\$0.00	\$8,299.00	
Operating Expenditure	004121	Non-Cash - Maint Streets Roads & Bridges - Depreciation - Infrastructure Roads	605	Depreciation - I	\$27,986.00	\$13,992.00	\$12,084.83	\$0.00	\$27,986.00	
Operating Expenditure	004043	Non-Cash - Administration - Depreciation	609	Depreciation - I	\$8,290.00	\$4,146.00	\$2,075.45	\$0.00	\$8,290.00	
Operating Expenditure	004080	Non-Cash - Care Of Families & Children - Depreciation	609	Depreciation - I	\$43,840.00	\$21,918.00	\$7,198.40	\$0.00	\$43,840.00	
Operating Expenditure	004115	Non-Cash - Other Recreation & Sport - Depreciation - Parks & Ovals	609	Depreciation - I	\$59,770.00	\$29,886.00	\$23,658.04	\$0.00	\$59,770.00	
Operating Expenditure	004121	Non-Cash - Maint Streets Roads & Bridges - Depreciation - Infrastructure Roads	609	Depreciation - I	\$995.00	\$498.00	\$417.02	\$0.00	\$995.00	

Attachment -1

Town of East Fremantle
Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 18 of 21

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Expenditure	004130	Non-Cash - Parking Facilities - Depreciation	609	Depreciation - F	\$1,000.00	\$498.00	\$419.16	\$0.00	\$1,000.00	
Operating Expenditure	004143	Non-Cash - Plant Operation Costs - Depreciation	609	Depreciation - F	\$122,371.00	\$61,188.00	\$19,644.68	\$0.00	\$122,371.00	Check Depn Recovery POCs
Operating Expenditure	004043	Non-Cash - Administration - Depreciation	610	Depreciation - F	\$193,049.00	\$96,522.00	\$72,468.49	\$0.00	\$193,049.00	
Operating Expenditure	004070	Non-Cash - Maternal & Infant Health - Depreciation	610	Depreciation - F	\$8,541.00	\$4,272.00	\$3,580.06	\$0.00	\$8,541.00	
Operating Expenditure	004080	Non-Cash - Care Of Families & Children - Depreciation	610	Depreciation - F	\$31,294.00	\$15,648.00	\$13,117.90	\$0.00	\$31,294.00	
Operating Expenditure	004090	Non-Cash - Housing - Council Owned - Depreciation	610	Depreciation - F	\$16,428.00	\$8,214.00	\$6,886.51	\$0.00	\$16,428.00	
Operating Expenditure	004095	Non-Cash - Other Law Order & Public Safety - Depreciation - Rangers	610	Depreciation - F	\$273.00	\$138.00	\$114.31	\$0.00	\$273.00	
Operating Expenditure	004115	Non-Cash - Other Recreation & Sport - Depreciation - Parks & Ovals	610	Depreciation - F	\$821,290.00	\$410,646.00	\$352,719.04	\$0.00	\$821,290.00	
Operating Expenditure	004140	Non-Cash - Public Works Overheads - Depreciation	610	Depreciation - F	\$15,314.00	\$7,656.00	\$6,419.49	\$0.00	\$15,314.00	
Operating Expenditure	004043	Non-Cash - Administration - Depreciation	611	Depreciation - F	\$1,388.00	\$696.00	\$0.00	\$0.00	\$1,388.00	
Operating Expenditure	004060	Non-Cash - Pre School - Depreciation - JP McKenzie & Richmond Primary	611	Depreciation - F	\$29,125.00	\$14,562.00	\$12,208.49	\$0.00	\$29,125.00	
Operating Expenditure	004070	Non-Cash - Maternal & Infant Health - Depreciation	611	Depreciation - F	\$3,278.00	\$1,638.00	\$1,378.96	\$0.00	\$3,278.00	
Operating Expenditure	004083	Non-Cash - Other Welfare - Depreciation - Glyde In	611	Depreciation - F	\$15,000.00	\$7,500.00	\$6,287.69	\$0.00	\$15,000.00	
Operating Expenditure	004043	Non-Cash - Administration - Depreciation	612	Depreciation - F	\$74,583.00	\$37,290.00	\$32,100.14	\$0.00	\$74,583.00	
Operating Expenditure	004080	Non-Cash - Care Of Families & Children - Depreciation	612	Depreciation - F	\$3,511.00	\$1,758.00	\$1,471.61	\$0.00	\$3,511.00	
Operating Expenditure	004140	Non-Cash - Public Works Overheads - Depreciation	612	Depreciation - F	\$1,099.00	\$552.00	\$460.84	\$0.00	\$1,099.00	
Operating Expenditure	E11268	Non-Cash-Swimming Areas/Beaches-Depreciation Expense - Right-of-use Assets	613	Depreciation - R	\$39,621.00	\$19,812.00	\$24,282.84	\$0.00	\$39,621.00	
					\$2,103,440.00	\$1,051,728.00	\$844,883.74	\$0.00	\$2,103,440.00	
Rates Revenue										
Operating Income	103051	Rates - Rate Revenue - Interim Rates (AASB 1058)	100	Rates	-\$20,000.00	-\$10,002.00	-\$15,891.70	\$0.00	-\$20,000.00	Status of Juniper Rateability (32 PP Road) - \$19k rates
Operating Income	103055	Rates - Rate Revenue - Rates Levied (AASB 1058)	100	Rates	-\$8,640,135.00	-\$8,640,135.00	-\$8,642,995.60	\$0.00	-\$8,640,135.00	No Change
					-\$8,660,135.00	-\$8,650,137.00	-\$8,658,887.30	\$0.00	-\$8,660,135.00	
Fees and Charges										
Operating Income	105087	Fees And Charges - Animal Control - Statutory - Dog & Cat Registration (AASB 15)	110	Permit	-\$18,025.00	-\$9,012.00	-\$15,283.75	\$0.00	-\$18,025.00	
Operating Income	113181	Fees And Charges - Building Control - Statutory - Building Permits (AASB 15)	110	Permit	-\$65,000.00	-\$32,502.00	-\$19,037.77	\$0.00	-\$65,000.00	
Operating Income	113188	Fees And Charges - Building Control - Statutory - DA Sign Fees & Permits (AASB 15)	110	Permit	-\$1,030.00	-\$516.00	-\$500.00	\$0.00	-\$1,030.00	
Operating Income	103060	Fees And Charges - Rate Revenue - Discretionary - Legal Costs Recovered (AASB 1058)	120	Fines & Penalties	-\$20,000.00	-\$10,002.00	\$0.00	\$0.00	-\$20,000.00	Contra Expenditure Account - no rates assessments under legal
Operating Income	105083	Fees And Charges - Animal Control - Statutory - Charges - Fines And Penalty (AASB 15)	120	Fines & Penalties	-\$515.00	-\$258.00	-\$200.00	\$0.00	-\$515.00	
Operating Income	105089	Fees and Charges - Other Law, Order & Public Safety - Discretionary - Other Fines & Penalties	120	Fines & Penalties	-\$515.00	-\$258.00	-\$200.00	\$0.00	-\$515.00	
Operating Income	112180	Fees And Charges - Parking Facilities - Statutory - Fines And Penalties - Parking (AASB 15)	120	Fines & Penalties	-\$103,000.00	-\$51,498.00	-\$74,333.09	\$0.00	-\$103,000.00	
Operating Income	112183	Fees And Charges - Parking Facilities - Statutory - Fines Enforcement Recovered (AASB 15)	120	Fines & Penalties	-\$25,000.00	-\$12,498.00	-\$16,962.11	\$0.00	-\$25,000.00	
Operating Income	103150	Fees And Charges - Rate Revenue - Discretionary - Rates Admin Fees - Instalments (AASB 1058)	130	User Fees & Ch	-\$39,140.00	-\$39,140.00	-\$36,217.50	\$0.00	-\$39,140.00	
Operating Income	104085	Fees And Charges - Rate Revenue - Discretionary - Rate Enquiries (AASB 1058)	130	User Fees & Ch	-\$24,720.00	-\$12,360.00	-\$11,422.00	\$0.00	-\$24,720.00	
Operating Income	104086	Fees And Charges - Administration - Discretionary - Sundry Fees (AASB 15)	130	User Fees & Ch	\$0.00	\$0.00	\$6.87	\$0.00	\$0.00	Journal \$6.87
Operating Income	104088	Other Revenue - Administration - Reimbursements (AASB 1058)	130	User Fees & Ch	\$0.00	\$0.00	-\$27.21	\$0.00	\$0.00	Journal \$27.21
Operating Income	105084	Fees And Charges - Fire Prevention - Statutory - ESL Commission Received (AASB 15)	130	User Fees & Ch	-\$7,725.00	-\$7,725.00	-\$7,145.47	\$0.00	-\$7,725.00	
Operating Income	105085	Fees And Charges - Animal Control - Discretionary - Impounding Fees (AASB 15)	130	User Fees & Ch	-\$1,030.00	-\$516.00	-\$109.09	\$0.00	-\$1,030.00	
Operating Income	107081	Fees And Charges - Health Inspection & Admin - Discretionary - Permit Application Fees (AASB 15)	130	User Fees & Ch	-\$3,090.00	-\$1,548.00	-\$2,529.44	\$0.00	-\$3,090.00	
Operating Income	107082	Fees And Charges - Maternal & Infant Health - Discretionary - EH Gray Centre 80 Canning Hwy (AASB 15)	130	User Fees & Ch	-\$2,575.00	-\$1,290.00	-\$1,013.46	\$0.00	-\$2,575.00	
Operating Income	107083	Fees And Charges - Health Inspection & Admin - Discretionary - Outdoor Eating Area Fees (Local Law) & Annual F	130	User Fees & Ch	-\$5,150.00	-\$2,574.00	-\$5,760.00	\$0.00	-\$5,150.00	
Operating Income	107085	Fees And Charges - Health Inspection & Admin - Statutory - Swimming Pool Inspection Fees (AASB 15)	130	User Fees & Ch	-\$15,000.00	-\$15,000.00	-\$15,750.00	\$0.00	-\$15,000.00	
Operating Income	108025	Fees And Charges - Pre School - Discretionary - Pre Primary Lease Rent (AASB 15)	130	User Fees & Ch	-\$2,369.00	-\$1,182.00	-\$2,422.41	\$0.00	-\$2,369.00	
Operating Income	108081	Fees And Charges - Care Of Families & Children - Statutory - CHSP - Sundry Income (AASB 15)	130	User Fees & Ch	-\$104,500.00	-\$52,248.00	-\$68,819.60	\$0.00	-\$130,000.00	
Operating Income	108083	Fees And Charges - Care Of Families & Children - Statutory - CHSP - In Home Respite (AASB 15)	130	User Fees & Ch	-\$7,700.00	-\$3,852.00	-\$12,400.00	\$0.00	-\$25,000.00	
Operating Income	108086	Fees And Charges - Care Of Families & Children - Statutory - CHSP - Centre Based Respite (AASB 15)	130	User Fees & Ch	-\$85,000.00	-\$27,498.00	-\$25,789.00	\$0.00	-\$85,000.00	Full year budget of \$180k CHSP Fees v mid year actuals of \$108k. Potential \$35k favourable variance
Operating Income	108094	Fees And Charges - Care Of Families & Children - Discretionary - CHSP Transport - Centre Based Day Care (AASB 15)	130	User Fees & Ch	-\$13,200.00	-\$6,600.00	-\$1,549.50	\$0.00	-\$5,000.00	
Operating Income	108205	Fees And Charges - Other Welfare - Discretionary - Glyde-In Rent Income (AASB 15)	130	User Fees & Ch	-\$1,200.00	-\$600.00	-\$1,284.38	\$0.00	-\$1,200.00	
Operating Income	109081	Fees And Charges - Housing - Council Owned - Discretionary - Rent (AASB 15)	130	User Fees & Ch	-\$90,640.00	-\$45,318.00	-\$38,603.54	\$0.00	-\$90,640.00	Check status of one agency rec. Ok
Operating Income	110075	Fees And Charges - Other Community Amenities - Discretionary - Hire of Community Facilities (AASB 15)	130	User Fees & Ch	-\$1,500.00	-\$750.00	-\$1,082.99	\$0.00	-\$1,500.00	
Operating Income	110080	Fees And Charges - Sanitation-Household Refuse - Discretionary - Domestic Service Charge (AASB 1058)	130	User Fees & Ch	-\$21,430.00	-\$21,430.00	-\$25,673.29	\$0.00	-\$21,430.00	
Operating Income	110081	Fees And Charges - Sanitation-Household Refuse - Discretionary - Commercial Refuse (AASB 1058)	130	User Fees & Ch	-\$80,855.00	-\$80,855.00	-\$67,500.00	\$0.00	-\$80,855.00	
Operating Income	110082	Fees and Charges - Sanitation - Discretionary - Sporting Club Service Charges (AASB 1058)	130	User Fees & Ch	-\$4,635.00	-\$2,316.00	-\$4,500.00	\$0.00	-\$4,635.00	
Operating Income	110083	Fees And Charges - Town Planning & Regional Development - Discretionary - Survey Clearance Fees (AASB 15)	130	User Fees & Ch	-\$500.00	-\$252.00	-\$851.00	\$0.00	-\$500.00	
Operating Income	110084	Fees And Charges - Town Planning & Regional Development - Discretionary - Misc Planning Service Fees (AASB 15)	130	User Fees & Ch	-\$12,000.00	-\$6,000.00	-\$4,562.50	\$0.00	-\$12,000.00	
Operating Income	110085	Fees And Charges - Town Planning & Regional Development - Discretionary - Home Occupation Fees (AASB 15)	130	User Fees & Ch	-\$1,030.00	-\$516.00	-\$222.00	\$0.00	-\$1,030.00	
Operating Income	110088	Fees And Charges - Town Planning & Regional Development - Statutory - Development Applications (AASB 15)	130	User Fees & Ch	-\$72,100.00	-\$36,048.00	-\$74,181.33	\$0.00	-\$100,000.00	Actuals exceed full year budget already
Operating Income	110089	Fees and Charges - Town Planning & Regional Development - Discretionary - Scheme Amendments and Rezoning	130	User Fees & Ch	-\$6,180.00	-\$3,090.00	-\$6,000.00	\$0.00	-\$6,180.00	
Operating Income	110176	Fees And Charges - Other Community Amenities - Discretionary - Sale Of History Books (AASB 15)	130	User Fees & Ch	-\$258.00	-\$132.00	-\$241.75	\$0.00	-\$258.00	
Operating Income	110180	Fees And Charges - Swimming Areas/Beaches - Discretionary - Riverside Mooring Pen Fees (AASB 15)	130	User Fees & Ch	-\$118,450.00	-\$118,450.00	-\$105,232.78	\$0.00	-\$118,450.00	

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Income	I11161	Fees And Charges - Other Recreation & Sport - Discretionary - Swan Yacht Club Rental (AASB 15)	130	User Fees & Ch.	-\$58,000.00	-\$58,000.00	-\$62,183.08	\$0.00	-\$58,000.00	
Operating Income	I11162	Fees And Charges - Other Recreation & Sport - Discretionary - E.F. Yacht Club Rental (AASB 15)	130	User Fees & Ch.	-\$33,990.00	-\$16,996.00	-\$17,481.08	\$0.00	-\$33,990.00	
Operating Income	I11164	Fees and Charges - Other Recreation & Sport - Discretionary - Dinghy Storage Fees	130	User Fees & Ch.	-\$1,000.00	-\$498.00	-\$1,272.74	\$0.00	-\$1,000.00	
Operating Income	I11175	Fees And Charges - Other Recreation & Sport - Discretionary - Zephyr Kiosk Rental (AASB 15)	130	User Fees & Ch.	-\$39,140.00	-\$19,572.00	-\$19,030.56	\$0.00	-\$39,140.00	
Operating Income	I11182	Fees And Charges - Other Culture - Discretionary - East Fremantle Festival (AASB 1058)	130	User Fees & Ch.	-\$14,000.00	-\$14,000.00	\$0.00	\$0.00	-\$14,000.00	Status of stallholder fee income?
Operating Income	I11187	Fees And Charges - Other Recreation & Sport - Discretionary - E.F. Bowling Club (AASB 15)	130	User Fees & Ch.	-\$2,112.00	-\$2,112.00	-\$572.45	\$0.00	-\$2,112.00	
Operating Income	I11190	Fees And Charges - Other Recreation & Sport - Discretionary - E.F. Tennis Club (AASB 15)	130	User Fees & Ch.	-\$5,150.00	-\$5,150.00	-\$2,667.12	\$0.00	-\$5,150.00	
Operating Income	I11191	Fees And Charges - Other Recreation & Sport - Discretionary - Leeuwin & Fremantle Sea Scouts (AASB 15)	130	User Fees & Ch.	-\$1,607.00	-\$1,607.00	-\$4,557.00	\$0.00	-\$5,000.00	Full year forecast?
Operating Income	I11193	Fees And Charges - Other Recreation & Sport - Discretionary - Preston Pt. Lacrosse Club (AASB 15)	130	User Fees & Ch.	-\$1,545.00	-\$1,545.00	-\$1,726.81	\$0.00	-\$1,545.00	
Operating Income	I11194	Fees And Charges - Other Recreation & Sport - Discretionary - Wauhop Park Soccer Ground (AASB 15)	130	User Fees & Ch.	-\$6,695.00	-\$6,695.00	-\$2,496.29	\$0.00	-\$6,695.00	
Operating Income	I11198	Fees And Charges - Other Recreation & Sport - Discretionary - Reserve Hire Fees - Functions (AASB 15)	130	User Fees & Ch.	-\$1,030.00	-\$1,030.00	-\$696.74	\$0.00	-\$1,030.00	
Operating Income	I11199	Fees And Charges - Other Recreation & Sport - Discretionary - E.F. Croquet Club (AASB 15)	130	User Fees & Ch.	-\$2,163.00	-\$2,163.00	-\$533.59	\$0.00	-\$2,163.00	
Operating Income	I12181	Fees And Charges - Parking Facilities - Discretionary - Parking Fees (AASB 15)	130	User Fees & Ch.	-\$15,450.00	-\$7,728.00	-\$4,580.40	\$0.00	-\$15,450.00	Check historic cashflows - under budget
Operating Income	I12181	Fees And Charges - Parking Facilities - Discretionary - Parking Fees (AASB 15)	132	Simplepay - Us	-\$195,700.00	-\$97,848.00	-\$81,110.43	\$0.00	-\$195,700.00	
Operating Income	I12182	Other Revenue - Parking Facilities - Reimbursements - Motor Vehicle Impounding Fees (AASB 15)	130	User Fees & Ch.	\$0.00	\$0.00	-\$1,211.82	\$0.00	\$0.00	
Operating Income	I13182	Fees And Charges - Building Control - Statutory - BCITF- Receipts (AASB 15)	130	User Fees & Ch.	-\$30,900.00	-\$15,450.00	-\$7,431.42	\$0.00	-\$30,900.00	Check - income below budget
Operating Income	I13184	Fees And Charges - Building Control - Statutory - Building Services Levy (AASB 15)	130	User Fees & Ch.	-\$45,000.00	-\$22,500.00	-\$13,073.57	\$0.00	-\$45,000.00	
Operating Income	I13185	Fees And Charges - Building Control - Discretionary - Verge Inspection Fees (AASB 15)	130	User Fees & Ch.	-\$5,150.00	-\$2,574.00	-\$3,199.44	\$0.00	-\$5,150.00	
Operating Income	I13190	Fees And Charges - Building Control - Statutory - Commission On Building Services Levy (AASB 15)	130	User Fees & Ch.	-\$824.00	-\$414.00	-\$300.00	\$0.00	-\$824.00	
Operating Income	I14085	Fees And Charges - Unclassified Property - Discretionary - Rental Income 128 & 128A George St. (AASB 15)	130	User Fees & Ch.	-\$27,000.00	-\$13,500.00	-\$11,725.53	\$0.00	-\$11,725.00	Property Sold
Operating Income	I14086	Fees And Charges - Unclassified Property - Discretionary - Recoverable Works (AASB 15)	130	User Fees & Ch.	\$2,000.00	\$1,002.00	\$0.00	\$0.00	\$2,000.00	
Operating Income	I14087	Fees And Charges - Unclassified Property - Discretionary - Rental Income - Old Police Station (AASB 15)	130	User Fees & Ch.	-\$28,840.00	-\$14,418.00	-\$13,648.80	\$0.00	-\$28,840.00	
		Operating Grants and Contributions			-\$1,442,358.00	-\$908,636.00	-\$896,898.96	\$0.00	-\$1,492,976.00	
Operating Income	I03070	Operating Grants, Subsidies And Contributions - General Purpose Grants - State - Grants Commission (AASB 1058)	140	Grants & Subsid	-\$61,545.00	-\$30,772.00	-\$30,772.50	\$0.00	-\$61,545.00	
Operating Income	I03071	Operating Grants, Subsidies And Contributions - General Purpose Grants - State - Grants Commission - Formula L	140	Grants & Subsid	-\$18,998.00	-\$9,500.00	-\$9,499.00	\$0.00	-\$18,998.00	
Operating Income	I08088	Operating Grants, Subsidies And Contributions - Care Of Families & Children - Commonwealth - CHSP (AASB 15)	140	Grants & Subsid	-\$621,284.00	-\$465,963.00	-\$310,766.12	\$0.00	-\$621,284.00	
Operating Income	I10076	Operating Grants, Subsidies And Contributions - Other Community Amenities - State - Bus Shelter - Maintenance	140	Grants & Subsid	-\$4,100.00	\$0.00	\$0.00	\$0.00	-\$4,100.00	Invoiced April 23
Operating Income	I10086	Operating Grants, Subsidies And Contributions - Sanitation-Household Refuse - State - Better Bins GO: FOGO (AA	140	Grants & Subsid	-\$18,440.00	-\$18,440.00	-\$6,133.33	\$0.00	-\$18,440.00	Grant Liability \$19,962.98
Operating Income	I10183	Operating Grants, Subsidies And Contributions - Other Community Amenities - Heritage Council - Municipal Inver	140	Grants & Subsid	\$0.00	\$0.00	-\$3,174.30	\$0.00	\$0.00	Go Fund Me Cont. for Kindy Solar Panels - Journal
Operating Income	I11158	Operating Grants, Subsidies And Contributions - Swimming Areas/Beaches - CHRMAP funding - Coastal Adaptation	140	Grants & Subsid	-\$23,875.00	\$0.00	-\$24,726.50	\$0.00	-\$23,875.00	
Operating Income	I11177	Operating Grants, Subsidies And Contributions - Swimming Areas/Beaches - State - Swan River Trust Erosion C	140	Grants & Subsid	-\$75,000.00	-\$75,000.00	-\$114,627.00	\$0.00	-\$114,627.00	Includes Swan Yach Club Cont. of \$39,627
Operating Income	I11202	Operating Grants, Subsidies And Contributions - Other Recreation & Sport - Urban Canopy Grant Program	140	Grants & Subsid	-\$24,823.00	-\$24,823.00	-\$22,144.48	\$0.00	-\$24,823.00	
Operating Income	I11203	Operating Grants, Subsidies And Contributions - Other Recreation & Sport - State - Removal of fencing at HMAS	140	Grants & Subsid	-\$52,000.00	-\$52,000.00	-\$52,000.00	\$0.00	-\$52,000.00	
Operating Income	I11205	Operating grants, subsidies and contributions - Other Culture - EF Festival	140	Grants & Subsid	-\$38,000.00	-\$38,000.00	-\$37,363.64	\$0.00	-\$38,000.00	
Operating Income	I12039	Operating Grants, Subsidies And Contributions - Maint Streets Roads & Bridges - State - MRD Direct Grant (AASB	140	Grants & Subsid	-\$19,245.00	-\$19,245.00	-\$20,946.00	\$0.00	-\$19,245.00	
Operating Income	I12086	Operating Grants, Subsidies And Contributions - Maint Streets Roads & Bridges - State - Street Lighting (AASB	101	Grants & Subsid	-\$4,800.00	\$0.00	\$0.00	\$0.00	-\$4,800.00	Invoiced May 23
Operating Income	I12040	Operating Grants, Subsidies And Contributions - Maint Streets Roads & Bridges - State - MRD - Stirling Bridge Ver	150	Contributions &	-\$8,000.00	\$0.00	\$0.00	\$0.00	-\$8,000.00	Invoiced June 23
		Interest Revenue			-\$970,110.00	-\$733,743.00	-\$632,152.87	\$0.00	-\$1,009,737.00	
Operating Income	001689	Interest Earnings - Other General Purpose Income - Reserves	160	Interest On Inv	-\$30,000.00	-\$15,000.00	\$0.00	\$0.00	-\$280,000.00	\$250k favourable variance
Operating Income	I03188	Interest Earnings - Other General Purpose Income - Municipal - Interest On Investments	160	Interest On Inv	-\$10,000.00	-\$4,998.00	-\$78,912.51	\$0.00	\$0.00	Allocate all municipal interest to Reserves - journal required
Operating Income	I03191	Interest Earnings - Rate Revenue - Rates - Instalment Interest Charge (AASB 1058)	160	Interest On Inv	-\$36,000.00	-\$18,000.00	-\$36,020.16	\$0.00	-\$36,000.00	
Operating Income	I03059	Interest Earnings - Rate Revenue - Rates Penalty (AASB 1058)	120	Fines & Penalti	-\$22,000.00	-\$10,998.00	-\$12,356.18	\$0.00	-\$22,000.00	
		Other Revenue			-\$98,000.00	-\$48,996.00	-\$127,288.85	\$0.00	-\$338,000.00	
Operating Income	I04088	Other Revenue - Administration - Reimbursements (AASB 1058)	170	Reimbursemen	-\$12,000.00	-\$6,000.00	-\$49.09	\$0.00	-\$12,000.00	LSL Council Reimbursements/Insurance Reimbursements
Operating Income	I09082	Other revenue - Housing - Council Owned - Reimbursements - Alien Street Units	170	Reimbursemen	-\$500.00	-\$252.00	-\$37.14	\$0.00	-\$500.00	
Operating Income	I11170	Other Revenue - Other Recreation & Sport - Reimbursements - E.F. Football Club (AASB 15)	170	Reimbursemen	-\$1,500.00	-\$750.00	\$0.00	\$0.00	-\$1,500.00	Status of reimbursement of insurance as per tenure agreements
Operating Income	I11171	Other Revenue - Other Recreation & Sport - Reimbursements - Other Sporting (AASB 15)	170	Reimbursemen	\$0.00	\$0.00	-\$870.16	\$0.00	\$0.00	
Operating Income	I11201	Other revenue - Other Recreation & Sport - Reimbursements - Building Insurance	170	Reimbursemen	-\$11,320.00	-\$5,658.00	\$0.00	\$0.00	-\$11,320.00	
Operating Income	I14083	Other Revenue - Unclassified Property - Sundry Income - Insurance Recovered incl. Workers Comp Claims (AASB	170	Reimbursemen	\$0.00	\$0.00	-\$3,116.80	\$0.00	\$0.00	
Operating Income	I14089	Other Revenue - Unclassified Property - Reimbursements - 133 Canning Hwy (Old Police Station)	170	Reimbursemen	-\$250.00	-\$126.00	\$0.00	\$0.00	-\$250.00	
Operating Income	I04089	Other Revenue - Administration - Sundry Income GST Inclusive (AASB 1058)	180	Other Revenue	-\$1,000.00	-\$498.00	-\$2,354.01	\$0.00	-\$1,000.00	
Operating Income	I11200	Other Revenue - Other Culture - Sundry Income - Promotional Merchandise Sales (AASB 15)	180	Other Revenue	-\$100.00	-\$48.00	\$0.00	\$0.00	-\$100.00	
Operating Income	I13186	Other Revenue - Building Control - Sundry Income - BCITF Commission (AASB 15)	180	Other Revenue	-\$500.00	-\$252.00	-\$75.00	\$0.00	-\$500.00	
		Profit on Disposal			-\$27,170.00	-\$13,584.00	-\$6,502.20	\$0.00	-\$27,170.00	
Operating Income	004045	Non-Cash - Administration - Profit on Disposal of Assets	210	Profit On Asset	-\$39,114.00	-\$39,114.00	\$0.00	\$0.00	-\$39,114.00	Non-Cash so variances have no material impact.
Operating Income	004075	Non-Cash - Health Inspection & Admin - Profit on disposal of assets	210	Profit On Asset	-\$11,962.00	-\$11,962.00	\$0.00	\$0.00	-\$11,962.00	Update Asset Disposal Schedule.

Attachment -1

Town of East Fremantle
 Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 20 of 21

Type Description	COA	Description	IE	Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Operating Income	004108	Non-Cash - Town Planning & Regional Development - Profit on disposal of assets	210	Profit On Asset	-\$16,000.00	-\$16,000.00	\$0.00	\$0.00	-\$16,000.00	
Operating Income	004117	Non-Cash - Other Recreation & Sport - Profit on disposal of assets	210	Profit On Asset	-\$23,200.00	-\$23,200.00	\$0.00	\$0.00	-\$23,200.00	
Operating Income	004126	Non-Cash - Maint Sts Roads & Bridges - Profit on Sale of Assets	210	Profit On Asset	-\$8,400.00	-\$8,400.00	\$0.00	\$0.00	-\$8,400.00	
Operating Income	004142	Non-Cash - Unclassified Property - Profit on disposal of assets	210	Profit On Asset	-\$389,017.00	-\$389,017.00	-\$422,876.66	\$0.00	-\$389,017.00	
		Reserve Transfers			-\$487,693.00	-\$487,693.00	-\$422,876.66	\$0.00	-\$487,693.00	
Capital Expenditure	000214	TRANSFER TO OLD POLICE STATION RESERVE	830	T/F To Reserve	\$28,000.00	\$0.00	\$0.00	\$0.00	\$28,000.00	
Capital Expenditure	000215	TRANSFER TO WASTE RESERVE	830	T/F To Reserve	\$35,000.00	\$0.00	\$0.00	\$0.00	\$35,000.00	
Capital Expenditure	000219	TRANSFER TO ARTS AND SCULPTURE RESERVE	830	T/F To Reserve	\$45,000.00	\$0.00	\$0.00	\$0.00	\$45,000.00	
Capital Expenditure	000257	TRANSFER TO PLYMPTON PARKING RESERVE	830	T/F To Reserve	\$616,666.00	\$616,666.00	\$616,666.67	\$0.00	\$616,666.00	
Capital Expenditure	002421	TRANSFER TO EAST FREMANTLE OVAL REDEVELOPMENT GEN	830	T/F To Reserve	\$1,650,272.00	\$1,233,333.00	\$1,239,936.01	\$0.00	\$1,900,272.00	Additional \$250k interest
Capital Expenditure	002422	TRANSFER TO PRESTON POINT FACILITIES RESERVE	830	T/F To Reserve	\$50,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00	
Capital Expenditure	002424	TRANSFER TO SUSTAINABILITY AND ENVIRONMENTAL PROJECTS GEN	830	T/F To Reserve	\$129,288.00	\$0.00	\$0.00	\$0.00	\$129,288.00	
Capital Expenditure	002425	TRANSFER TO TOWN PLANNING (OPEX) GEN	830	T/F To Reserve	\$30,000.00	\$0.00	\$0.00	\$0.00	\$30,000.00	
Capital Expenditure	002426	TRANSFER TO BUSINESS IMPROVEMENT (OPEX) GEN	830	T/F To Reserve	\$50,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00	
										Transfer any budget surplus to this account to cover equity payments to the City of Canning and Cockburn (\$330k)
Capital Expenditure	002439	TRANSFER TO STRATEGIC WASTE RESERVE	830	T/F To Reserve	\$60,000.00	\$0.00	\$0.00	\$0.00	\$146,684.00	
Capital Income	000340	TRANSFER FROM PLANT RESERVE	810	Transfers From	-\$50,000.00	\$0.00	\$0.00	\$0.00	-\$50,000.00	
Capital Income	000345	TRANSFER FROM AGED SERVICES RESERVE	810	Transfers From	\$0.00	\$0.00	\$0.00	\$0.00	-\$11,803.00	To fund net vehicle replacement
Capital Income	000347	TRANSFER FROM ARTS AND SCULPTURE RESERVE	810	Transfers From	-\$111,250.00	\$0.00	\$0.00	\$0.00	-\$111,250.00	
Capital Income	002427	TRANSFER FROM DRAINAGE GEN	810	Transfers From	-\$100,000.00	\$0.00	\$0.00	\$0.00	-\$100,000.00	
Capital Income	002429	TRANSFER FROM PRESTON POINT FACILITIES RESERVE	810	Transfers From	\$0.00	\$0.00	\$0.00	\$0.00	-\$80,000.00	Council contribution to Womens Soccer project
										Decrease to incorporate swan yacht club cont. OpeX = \$245k less funding grants/cont of \$114,627
Capital Income	002430	TRANSFER FROM FORESHORE MANAGEMENT PLAN	810	Transfers From	-\$170,000.00	\$0.00	\$0.00	\$0.00	-\$130,373.00	
Capital Income	002431	TRANSFER FROM SUSTAINABILITY AND ENVIRONMENTAL PROJECTS	810	Transfers From	-\$35,000.00	\$0.00	\$0.00	\$0.00	-\$35,000.00	
Capital Income	002428	TRANSFER FROM EAST FREMANTLE OVAL REDEVELOPMENT GEN	810	Transfers From	\$0.00	\$0.00	\$0.00	\$0.00	-\$2,976,442.00	As per Agenda to Council
Capital Income	002434	TRANSFER FROM OLD POLICE STATION RESERVE	810	Transfers From	-\$28,000.00	\$0.00	\$0.00	\$0.00	-\$28,000.00	
		Capex			\$2,199,976.00	\$1,849,999.00	\$1,856,602.68	\$0.00	-\$491,958.00	
Capital Expenditure	E11739	Buildings - Specialised - Capex - Fremantle Women's Football Club	430	Non Operating	\$890,000.00	\$0.00	\$19,026.00	\$0.00	\$1,000,000.00	Adjust based on revised cost estimate
Capital Expenditure	E11739	Buildings - Specialised - Capex - Fremantle Women's Football Club	500	Services	\$0.00	\$0.00	\$0.00	-\$19,349.00	\$0.00	PO incorrectly allocated
Capital Expenditure	E11715	Buildings - Specialised - Capex - New - Other Recreation & Sport	430	Non Operating	\$13,000,000.00	\$4,958,510.00	\$1,080,523.06	\$0.00	\$14,773,534.00	As per Agenda to Council
Capital Expenditure	E11715	Buildings - Specialised - Capex - New - Other Recreation & Sport	500	Services	\$0.00	\$0.00	\$0.00	-\$377,400.00	\$0.00	PO incorrectly allocated
Capital Expenditure	E14605	Buildings - Specialised - Capex - Renewal - Unclassified Property	430	Non Operating	\$80,000.00	\$40,002.00	\$2,407.27	\$2,185.00	\$65,000.00	Reduce to fund additional maintenance Allen St props
Capital Expenditure	E04634	Furniture & Equipment - IT Equipment - Capex - New - Administration	430	Non Operating	\$25,000.00	\$25,000.00	\$12,776.58	\$0.00	\$25,000.00	
Capital Expenditure	E07405	Plant & Equipment - Light Fleet - Capex - New - Health Inspection & Admin	430	Non Operating	\$40,000.00	\$40,000.00	\$0.00	\$0.00	\$40,000.00	
Capital Expenditure	E04629	Plant & Equipment - Light Fleet - Capex - Renewal - Administration	430	Non Operating	\$86,200.00	\$86,200.00	\$0.00	\$0.00	\$86,200.00	
Capital Expenditure	E08607	Plant & Equipment - Light Fleet - Capex - New - HACC	430	Non Operating	\$0.00	\$0.00	\$0.00	\$0.00	\$42,000.00	2 x Hyundai Elantra as recommended by Gina
Capital Expenditure	E11716	Plant & Equipment - Light Fleet - Capex - Renewal - Other Recreation & Sport	430	Non Operating	\$56,000.00	\$56,000.00	\$0.00	\$0.00	\$41,000.00	Ute not being replaced
Capital Expenditure	E10648	Plant & Equipment - Light Fleet - Capex - Renewal - Town Planning & Regional Development	430	Non Operating	\$40,000.00	\$40,000.00	\$0.00	\$0.00	\$40,000.00	
Capital Expenditure	E14609	Plant & Equipment - Light Fleet - Capex - Renewal - Unclassified Property	430	Non Operating	\$62,000.00	\$62,000.00	\$34,872.27	\$0.00	\$62,000.00	
Capital Expenditure	E11720	Plant & Equipment - Mobile Plant - Capex - Renewal - Other Recreation & Sport	430	Non Operating	\$30,000.00	\$30,000.00	\$0.00	\$0.00	\$30,000.00	
Capital Expenditure	E11741	Plant & Equipment - Public Art - Capex - New - Other Culture - EF Oval Commemoration Artwork	430	Non Operating	\$26,250.00	\$26,250.00	\$13,000.00	\$13,500.00	\$26,250.00	
Capital Expenditure	E11685	Plant and Equipment - Public Art - Capex - New - Other Culture	430	Non Operating	\$85,000.00	\$42,498.00	\$9,090.00	\$0.00	\$85,000.00	
Capital Expenditure	E12827	Infrastructure - Car Parks - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	430	Non Operating	\$15,000.00	\$7,500.00	\$0.00	\$0.00	\$15,000.00	
Capital Expenditure	E12823	Infrastructure - Drainage - Pipes - Capex - Renewal - Maintenance Streets, Roads & Bridges	430	Non Operating	\$100,000.00	\$49,998.00	\$0.00	\$0.00	\$100,000.00	
Capital Expenditure	E12823	Infrastructure - Drainage - Pipes - Capex - Renewal - Maintenance Streets, Roads & Bridges	500	Services	\$0.00	\$0.00	\$650.00	\$0.00	\$0.00	Journal
Capital Expenditure	E11729	Infrastructure - Parks & Ovals - Ancillary - Capex - New - Other Recreation & Sport	340	Materials Purch	\$0.00	\$0.00	\$3,452.00	\$0.00	\$0.00	Journal
Capital Expenditure	E11729	Infrastructure - Parks & Ovals - Ancillary - Capex - New - Other Recreation & Sport	430	Non Operating	\$10,000.00	\$4,998.00	\$0.00	\$7,000.00	\$10,000.00	
Capital Expenditure	E11728	Infrastructure - Parks & Ovals - Ancillary - Capex - Renewal - Other Recreation & Sport	430	Non Operating	\$25,000.00	\$12,498.00	\$14,609.00	\$0.00	\$25,000.00	
Capital Expenditure	E11726	Infrastructure - Parks & Ovals - Irrigation/Bores - Capex - New - Other Recreation & Sport	430	Non Operating	\$82,000.00	\$41,004.00	\$0.00	\$0.00	\$82,000.00	
Capital Expenditure	E11726	Infrastructure - Parks & Ovals - Irrigation/Bores - Capex - New - Other Recreation & Sport	500	Services	\$0.00	\$0.00	\$8,735.94	\$0.00	\$0.00	Journal
Capital Expenditure	E11724	Infrastructure - Parks & Ovals - Lighting - Capex - New - Other Recreation & Sport	430	Non Operating	\$0.00	\$0.00	\$16,223.00	\$0.00	\$16,223.00	As per Tennis Club FA endorsed by Council
Capital Expenditure	E11725	Infrastructure - Parks & Ovals - Playground - Capex - New - Other Recreation & Sport	430	Non Operating	\$150,000.00	\$75,000.00	\$124,960.00	\$0.00	\$150,000.00	
Capital Expenditure	E11725	Infrastructure - Parks & Ovals - Playground - Capex - New - Other Recreation & Sport	500	Services	\$0.00	\$0.00	\$415.91	\$0.00	\$0.00	Journal
Capital Expenditure	E11727	Infrastructure - Parks & Ovals - Turf - Capex - New - Other Recreation & Sport	430	Non Operating	\$150,000.00	\$75,000.00	\$12,474.73	\$4,500.00	\$110,000.00	
Capital Expenditure	E11727	Infrastructure - Parks & Ovals - Turf - Capex - New - Other Recreation & Sport	500	Services	\$0.00	\$0.00	\$48,748.75	\$0.00	\$0.00	Journal
Capital Expenditure	E12820	Infrastructure - Roads - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	430	Non Operating	\$361,127.00	\$180,564.00	\$45,675.69	\$0.00	\$361,127.00	
Capital Expenditure	E12820	Infrastructure - Roads - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	500	Services	\$0.00	\$0.00	\$274,771.78	\$0.00	\$0.00	Journal
Capital Expenditure	E12824	Infrastructure Footpaths - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	430	Non Operating	\$250,000.00	\$125,004.00	\$0.00	\$1,330.00	\$250,000.00	

Attachment -1

Town of East Fremantle
Printed : at 9:12 AM on 6/02/2023

as at 31/12/2022

Page 21 of 21

Type Description	COA	Description	IE	Incr Exp Analysis	Current Budget	YTD Budget	YTD Actual	Order Value	Forecast	Comment
Capital Expenditure	E12824	Infrastructure Footpaths - Surface/Pavement - Capex - Renewal - Maintenance Streets, Roads & Bridges	500	Services	\$0.00	\$0.00	\$29,700.00	\$169,146.00	\$0.00	Journal
					\$15,563,577.00	\$5,978,026.00	\$1,752,111.98	\$594,410.67	\$17,435,334.00	
		Non-Operating Grants								
Capital Income	I11160	Non-Operating Grants, Subsidies and Contributions - Other Recreation & Sport - State - EF Oval Redevelopmen	141	Grants & Subsi	-\$13,000,000.00	-\$4,958,510.00	-\$1,485,445.24	\$0.00	-\$11,080,151.00	Adjust to 75% of Capex
Capital Income	I11165	Non-Operating Grants, Subsidies and Contributions - Other Recreation and Sport - State - EF Oval Redevelopm	141	Grants & Subsi	\$0.00	\$0.00	\$0.00	\$0.00	-\$672,530.00	LotteryWest Grant 1st Instalment
Capital Income	I11206	Non-Operating Grants, Subsidies and Contributions - Other Recreation & Sport - Fremantle City Women's Footb	141	Grants & Subsi	-\$890,000.00	\$0.00	\$0.00		-\$920,000.00	\$800k State Gov + \$120 Soccer Club
Capital Income	I12042	Non-Operating Grants, Subsidies and Contributions - Maint Streets Roads & Bridges - LRCIP	141	Grants & Subsi	-\$168,362.00	\$0.00	-\$1,700.00	\$0.00	-\$255,399.00	\$87,037 to be claimed Phase 1/2
Capital Income	I12096	Non-Operating Grants, Subsidies and Contributions - Maint Streets Roads & Bridges - State - MRRG - Marmion St	141	Grants & Subsi	-\$240,751.00	\$0.00	-\$95,319.00	\$0.00	-\$240,751.00	Claim 2nd 40%
					-\$14,299,113.00	-\$4,958,510.00	-\$1,582,464.24	\$2,500.00	-\$13,168,831.00	
		Proceeds from Sale of Asset								
Capital Income	I14092	Capital Income - Proceeds on Sale of Assets - Unclassified Property - Proceeds on sale of 128 George St	200	Proceeds From	-\$1,850,000.00	-\$1,850,000.00	\$0.00	\$0.00	-\$1,850,000.00	No Change
		Principal Repayment								
Capital Expenditure	E10222	Loan Principal Repayment - SMRC	435	Loan Principal P	\$102,000.00	\$51,000.00	\$52,659.87	\$0.00	\$102,000.00	No Change
		Lease Repayments								
Capital Expenditure	E11730	Lease Liabilities Principal Repayments - Seabed Lease	436	Lease Liabilities	\$45,000.00	\$22,500.00	\$31,455.32	\$10,802.63	\$47,892.00	Refer Advice of new lease fee



Neighbourhood Link

Vehicles Review 2023

Prepared by CHSP Manager for Executive Manager Corporate Service

1 February 2023

Neighbourhood Link vehicle service fleet comprises the following:

- 5 TOEF-NL service vehicles
- 1 TOEF Pool Car used for errands
- 5 private vehicles used by staff when Town vehicles are not available.

A summary of how vehicles are used is given in the table below:

VEHICLE	SERVICE TYPE	FREQUENCY	USER	NOTE
Bus 1 (23-seater)	Outings / Transport	Daily 5	Bus Drivers Lisa, Jacky, Sue, Kylie	Purchased in 2020
Bus 2 (23-seater)	Outings / Transport	Daily 5	Bus Drivers Lisa, Jacky, Sue, Kylie	
Hiace (12-seater)	Outings / SSI / Transport / HVs / Errands	Daily 10	All Staff	
Torago	SSI / Transport / HVs / Errands	Daily 15	All Staff	
Camry	SSI	Daily 16	Emma	
Private Vehicle	SSI	Daily 15	Vicky	
Private Vehicle	SSI	2 days 6	Heather	
Private Vehicle	SSI	2 days 10	Gail	
Private Vehicle	SSI / Errands	Occasionally 1-weekly	Jessica	
Private Vehicle	SSI / HVs	Occasionally 1-weekly	Gina	
TOEF Pool Vehicle	HVs / Errands	Occasionally 3-weekly	Gina	

Notes:

Frequency of vehicle usage given is average

Staff use Bus 1 and 2 or Bus 1 and the Hiace, for Social Support Group Service when more than approximately 12 clients are scheduled for pick-up - depending on the location points.

The use of two vehicles for client pick up is required due to the size of the service area as otherwise clients spend too long on the bus when many pick-ups are completed by one vehicle.

A couple of clients will occasionally opt to drive to, or be dropped off, at the Centre.

The Hiace is used to deliver Social Support Individual Service and to complete Home Visitations and errands and for tis reason, two large buses must be used.

The use of one bus and the Hiace when available are used together when possible.

The \$30k for sale of bus from Pickles would provide greater vehicle use flexibility if replaced with 2 smaller vehicles for following reasons:

1. Transport Service under the CHSP appears an area under referral demand (as mentioned in earlier communication). NL has not consistently provided Transport Service due to lack of vehicles. Having an additional vehicle would enable NL to provide this service more consistently - subject to the area of service restriction 10kms and/or by suburb, and delivered by Support Staff as well as Admin Staff
2. Some staff are not happy about using their private vehicle for service. Casual staff have declined to cover leave by permanent staff, which is crucial to service, unless the Casual Staff member has access an NL vehicle.
3. Social Support Individual Clients have often requested that their service is not delivered to them via the Hiace as they say it is uncomfortable and they feel too exposed being the only passenger in a 12-seater bus

Other pros:

- There are cost savings in maintaining and running small vehicles compared to a large bus
- The older ageing large bus may be subject to increased additional maintenance costs
- Smaller vehicles will enable provision of service particularly through the remodelling of the CHSP to the In-Home Aged Care from in which partnership expected to increase as service users generally elect multiple providers to use funds which the new model will not roll over, making Social Support Service the focus to spend the funds
- Considering a fleet option, using without owning, may be worthwhile considering, and help raise the service profile in community through the use of a logo on the vehicles

Recommendation:

Selling the old bus and replacing with 2 smaller vehicles is recommended.

Cost of repair to ageing bus will increase and cause service blockage when no substitute vehicles are available. Therefore the selling of the bus and its replacement with two small cars offers cost saving, increased flexibility of service, and efficiency to Neighbourhood Link service, which is paramount going forward with the new aged care model.

10.6 EAST FREMANTLE OVAL REDEVELOPMENT GRANT - ACCOUNTING TREATMENT

Report Reference Number	ACR-410
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting date	Wednesday, 1 March 2023
Voting requirements	Nil

Documents tabled**Attachments**

1. Position Paper – Revenue Recognition – East Fremantle Oval Redevelopment – Grant Income
2. Lotterywest Grant Approval Letter
3. **Cash Flow Model (DCWC Budget Tracker)(Confidential)**
4. Audited Statement of Income and Expenditure for the EF Oval Redevelopment Project for the Year Ended 30 June 2022
5. **Monthly Cost Status Report for Works up to the end of December 2022 (Confidential)**

PURPOSE

Council, at its Ordinary Meeting of 21 February 2022 resolved the following. This item is re-presented to the Audit Committee for noting.

1. Revised total budget of \$33,595,060 (ex GST) for the East Fremantle Oval Redevelopment Project comprised of the following confirmed funding:
 - WA State Government Grant (DLGSC) - \$25,000,000
 - Lotterywest Grant - \$1,345,060
 - Town of East Fremantle – Loan - \$4,800,000
 - Town of East Fremantle – Reserves - \$2,200,000
 - AFL/WAFL - \$250,000
2. The application of the measure to recognize the \$25,000,000 State Government Grant (DLGSC) as revenue in the Statement of Comprehensive Income based on the apportionment of this funding against total project cost i.e.

$\$25,000,000 / \$33,595,060 =$ approximately 75% to be recognized as revenue in the Statement of Comprehensive Income and 25% as deferred income (Capital Grant Liability)
3. The 3-year expenditure budget of \$33,595,060 (ex GST) for the East Fremantle Oval Redevelopment Project, derived from actual expenditure in 2021/22, and cash flow forecasts for the 2-year period 2022/23 – 2023/24:

Financial Year	Actuals/Budget	DLGSC Grant to be recognized – 75% of expenditure excluding 21/22
2021/22	(\$928,771)	\$928,771
2022/23	(\$14,773,534)	\$11,080,151
2023/24	(\$17,892,755)	\$12,991,078
TOTAL	(\$33,595,060)	\$25,000,000

4. The schedule of budget variations below to amend the Town's 2022/23 Budget, resulting in a reduction in net current assets of (\$44,412):

General Ledger	Account Description	Current Budget	Amended Budget	Change in Net Current Assets	Comment
E11738	Capex - EF Oval Redevelopment	- 13,000,000	- 14,773,534	- 1,773,534	Expenditure increased to match DCWC/Cooper and Oxley Forecast
I11160	Non-Operating Grants - EF Oval (DLGSC)	13,000,000	11,080,151	- 1,919,850	Revenue recognition 75% of budgeted expenditure
1689	Interest Earnings - Reserves	30,000	280,000	250,000	Favourable interest earnings due to the higher interest rate environment and larger investment portfolio
2421	Transfer to East Fremantle Oval Reserve	-1,650,272	-1,900,272	-250,000	Transfer additional interest earnings to the EF Oval Redevelopment Reserve
2428	Transfer from East Fremantle Oval Reserve	0	2,976,442	2,976,442	Bring forward Reserve Transfer from 23/24 FY to meet the Town's proportional funding requirement
New	LotteryWest Grant (1 st Instalment)	0	672,530	672,530	50% Lotterywest Grant to be recognised in 22/23 FY
		-1,620,272	-1,664,684	-44,412	

5. The following budget allocations for 2023/24 based on the cash flow model and adopted revenue recognition measure.

General Ledger	Account Description	23/24 Budget	Comment
E11738	Capex - EF Oval Redevelopment	-17,892,755	DCWC/Cooper and Oxley Forecast
I11160	Non-Operating Grants - EF Oval	12,991,078	Revenue recognition – remaining balance of grant
2421	Transfer to East Fremantle Oval Reserve	-776,442	Payback to EF Oval Reserve – net funding from Reserve is \$2.2m (\$2,976,442 - \$776,442)
New	LotteryWest Grant (2 nd Instalment)	672,530	50% Lotterywest Grant to be recognised in 23/24 FY
New	Loan Borrowings	4,800,000	Loan Funding Date 1 November 2023
New	AFL Funding	250,000	Funding anticipated in 23/24 FY
	Change in Net Current Assets	\$44,411	This surplus offset the small deficit of (\$44,412) from 22/23

EXECUTIVE SUMMARY

A cash flow model for the East Fremantle Oval Redevelopment Project has been prepared, based on confirmed funding and cash flow forecasts provided by the Town's Project Manager, informing budget estimates for the 2022/23 and 2023/24 financial years, which are recommended to Council for approval.

BACKGROUND

A Position Paper was presented to the Audit Committee at its meeting of 2nd November 2022 discussing the recognition of revenue of the East Fremantle Oval Redevelopment Grant. This Position Paper is re-presented as attachment 1 to this report.

The following commentary was provided in the report to the Audit Committee:

Revenue Recognition – East Fremantle Oval Redevelopment Project

OAG agree with the Town that the income from the \$25m East Fremantle Oval Grant should be accounted for under AASB 1058 capital grant requirements – that is, the income should be recognised as the obligation to construct the asset is satisfied.

However, there is a difference in position between Towns' Management and the OAG with respect to the application of the measure to recognise income (Statement of Comprehensive Income) and deferred income (Statement of Financial Position – capital grant liability).

OAG's technical team have advised that the income to be recognised should be proportional to the total project cost:

i.e. Income to be recognised = (Costs incurred to date/total project cost) x grant amount

This compares to the Town's approach of recognising income based on actual costs incurred.

The difference in the calculation for the 21/22 FY is as follows:

- 1. OAG - \$928,770 actual expenditure/\$32,500,000 project budget x \$25,000,000 grant = \$714,438 income to be recognized*
- 2. Town - \$928,770 actual expenditure = \$928,770 income to be recognized.*

Whilst the variance of \$214,332 is not considered to be material for the 21/22 FY, the difference in approach to measurement will give rise to a material variance in 22/23 FY – see below:

- 1. OAG - \$13,000,000 budget expenditure/\$32,500,000 project budget x \$25,000,000 grant = \$10,000,000 income to be recognized*
- 2. Town - \$13,000,000 budget expenditure = \$13,000,000 income to be recognized*

The Town has provided the following information, subsequent to the Position Paper, to OAG to reaffirm its position:

- It was always intended that the Town would apply State Government Funding to the project first, prior to own source revenue contributions (this cash flow model was negotiated with the State and underpins the payment milestones; it also informed the Town's reserve funding strategy as well as the future draw down date for the loan)*
- There are no performance obligations in the Grant Agreement that state that payment milestones are conditional on the Town funding project expenditure on a proportional basis to trigger the next payment*
- The Town has provided OAG with an extract of AASB paragraphs 31-36 which states that an entity shall adopt a suitable approach and disclose the methods used to recognize the amount and timing of income arising from Transfers.*

Transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity

- 31 An entity shall disclose the opening and closing balances of financial assets arising from transfers to enable an entity to acquire or construct recognisable non-financial assets to be controlled by the entity and the associated liabilities arising from such transfers, if not otherwise separately presented or disclosed. An entity shall also disclose income recognised in the reporting period arising from the reduction of an associated liability.
- 32 An entity shall disclose information about its obligations under such transfers, including a description of when the entity typically satisfies its obligations (for example, as the asset is constructed, upon completion of construction or when the asset is acquired).
- 33 An entity shall disclose an explanation of when it expects to recognise as income any liability for unsatisfied obligations as at the end of the reporting period. An entity may disclose this information in either of the following ways:
- (a) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining obligations; or
 - (b) through qualitative information.
- 34 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of income arising from transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. In particular, an entity shall explain the judgements, and changes in the judgements, made in determining the timing of satisfaction of obligations (see paragraphs 35 and 36).
- 35 For obligations that an entity satisfies over time, an entity shall disclose both of the following:
- (a) the methods used to recognise income (for example, a description of the output methods or input methods used and how those methods are applied); and
 - (b) an explanation of why the methods used provide a faithful depiction of the entity's progress toward satisfying its obligations.
- 36 For obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when it has satisfied its obligations.

Should the Town be required to adopt the accounting treatment advised by OAG, this will result in a \$3m budget deficit in 22/23, as the adopted budget is predicated on \$13m matching income against \$13m project expenditure. This budget deficit will need to be addressed and will be largely corrected by bringing forward the transfer from the East Fremantle Oval Redevelopment Reserve (\$2.2m originally budgeted in 23/24), although this will still leave a budget gap. A future report will be presented to Council discussing this matter.

CONSULTATION

Office of the Auditor General
Moore Australia

STATUTORY ENVIRONMENT

Expenditure from the municipal fund not included in the annual budget must be authorised in advance by an absolute majority decision of Council pursuant to section 6.8 of the Local Government Act 1995.

POLICY IMPLICATIONS

There are no Council Policies relevant to this matter. A Position Paper has been prepared on the Revenue Recognition of Grant Income and presented to the Audit Committee. Subject to Council resolving a motion in relation to this item, the Position Paper will need to be updated for the 22/23 FY.

Whilst Officer's stand by the methodology outlined in the Position Paper, following consultation with the Managing Partner of Moore Australia, it would be prudent to adopt the accounting treatment put forward by the Office of the Auditor General for the following reasons:

- Obtaining independent professional advice to support the Town’s position would be expensive and there are no guarantees that OAG will accept this advice (i.e., the Position Paper is very comprehensive – what new information could be provided?)
- Failure to adopt the accounting treatment advised by OAG will result in a qualified audit opinion for 22/23 as it will be determined that the Town has materially overstated revenue and understated capital grant liabilities (this was discussed in the 2021/22 Audit Exit Brief with the Town’s adopted treatment leading to an “unadjusted error/misstatement” included in the Management Representation Letter.
- The Town has funding available in the East Fremantle Oval Redevelopment Reserve to meet its proportional own source contribution to this project and is able to bring forward funding from 23/24 to 22/23 subject to a Council resolution.

FINANCIAL IMPLICATIONS

Financial implications are detailed in the Officer’s Recommendation. Given the accounting treatment with respect to measurement of grant revenue requested by OAG and the fixed funding date of 1 November 2023 for the Town’s loan of \$4.8m, the two-year budget model can only be balanced by bringing forward the transfer from the East Fremantle Oval Redevelopment Reserve. A small budget deficit of (\$44,412) arises in the 22/23 Budget, which is offset by a contra surplus of \$44,411 in the 23/24 FY. The budget model is therefore fully balanced.

STRATEGIC IMPLICATIONS

The Town of East Fremantle Strategic Community Plan 2020-2030 states:

Strategic Priority 1 – Social – A socially connected, inclusive and safe community

1.1 Facilitate appropriate local services for the health and wellbeing of the community

1.1.1 *Facilitate or partner to ensure a range of quality services are provided at a local level*

1.1.2 *Strengthen the sense of place and belonging through inclusive community interaction and participation.*

1.2 Inviting open spaces, meeting places and recreational facilities

1.2.1 *Provision of adequate recreational, sporting and social facilities*

1.2.2 *Activate inviting open spaces that encourage social connection*

1.3 Strong community connection within a safe and vibrant lifestyle

1.3.1 *Partner and educate to build a strong sense of community safety*

1.3.2 *Facilitate opportunities for people to develop community connections through events and celebrations.*

1.3.3 *Facilitate community group capacity building.*

The Town of East Fremantle Recreation and Community Facilities Strategy adopted in 2016 identified that *‘the East Fremantle Oval Precinct is a major recreation and sporting precinct in East Fremantle that is currently perceived as poorly planned as a precinct, is under utilised in terms of community use and access and is an ineffective use of major open space.*

RISK IMPLICATIONS

10.6.1.1.1 RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)

Failure to adopt the accounting treatment put forward by OAG with respect to measurement of grant revenue will result in a qualified audit opinion	Almost Certain (5)	Major (4)	Extreme (17-25)	REPUTATIONAL Substantiated, public embarrassment, high impact, high news profile, third party actions	Accept Officer Recommendation
--	--------------------	-----------	-----------------	---	-------------------------------

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Likelihood	Almost Certain	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	16+
Does this item need to be added to the Town's Risk Register	Yes
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable

COMMENT

All external funding for the East Fremantle Oval Redevelopment Project has now been confirmed:

- The Town was successful in its LotteryWest grant application of \$1,345,060 ex GST with funding to be allocated towards a nature playground, bbq area and multi-use community space – see attachment 2.
- The City of Cockburn has advised they no longer require the clean fill excavated from site. Funding of \$100k has therefore been removed from the budget model, although further opportunities for the sale of this material is being explored.

The Total Project Budget is now \$33,595,060 (ex GST) comprised of the following confirmed funding:

- WA State Government Grant (DLGSC) - \$25,000,000
- Lotterywest Grant - \$1,345,060

- Town of East Fremantle – Loan - \$4,800,000
- Town of East Fremantle – Reserves - \$2,200,000
- AFL/WAFL - \$250,000

A cash flow model for the East Fremantle Oval Redevelopment Project has been prepared, based on confirmed funding and cash flow forecasts provided by the Town’s Project Manager, informing budget estimates for the 2022/23 and 2023/24 financial years, which are recommended to Council for approval.

CONCLUSION

The Audit Committee is requested to note this paper for information.

10.6 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 060103

OFFICER RECOMMENDATION

Moved Cr White, seconded Cr McPhail

That the Audit Committee note the resolution below from the Ordinary Council Meeting of 21 February 2023:

That Council, with respect to the project budget for the East Fremantle Oval Redevelopment Project, resolve the following:

- 1. Approve the revised total budget of \$33,595,060 (ex GST) for the East Fremantle Oval Redevelopment Project comprised of the following confirmed funding:***
 - WA State Government Grant (DLGSC) - \$25,000,000***
 - Lotterywest Grant - \$1,345,060***
 - Town of East Fremantle – Loan - \$4,800,000***
 - Town of East Fremantle – Reserves - \$2,200,000***
 - AFL/WAFL - \$250,000***
- 2. Endorse the following application of the measure to recognize the \$25,000,000 State Government Grant (DLGSC) as revenue in the Statement of Comprehensive Income based on the apportionment of this grant funding against total project cost i.e.***

\$25,000,000/\$33,595,060 = approximately 75% to be recognized as revenue in the Statement of Comprehensive Income and 25% as deferred income (Capital Grant Liability)

- 3. Approve the 3-year expenditure budget of \$33,595,060 (ex GST) for the East Fremantle Oval Redevelopment Project, derived from actual expenditure in 2021/22, and cash flow forecasts for the 2-year period 2022/23 – 2023/24:***

<i>Financial Year</i>	<i>Actuals/Budget</i>	<i>DLGSC Grant to be recognized – 75% of expenditure excluding 21/22</i>
<i>2021/22</i>	<i>(\$928,771)</i>	<i>\$928,771</i>
<i>2022/23</i>	<i>(\$14,773,534)</i>	<i>\$11,080,151</i>
<i>2023/24</i>	<i>(\$17,892,755)</i>	<i>\$12,991,078</i>
<i>TOTAL</i>	<i>(\$33,595,060)</i>	<i>\$25,000,000</i>

4. Pursuant to section 6.8 of the Local Government Act 1995, authorise the schedule of budget variation below to amend the Town's 2022/23 Budget, resulting in a reduction in net current assets of (\$44,412):

General Ledger	Account Description	Current Budget	Amended Budget	Change in Net Current Assets	Comment
E11738	Capex - EF Oval Redevelopment	- 13,000,000	- 14,773,534	- 1,773,534	Expenditure increased to match DCWC/Cooper and Oxley Forecast
I11160	Non-Operating Grants - EF Oval (DLGSC)	13,000,000	11,080,151	- 1,919,850	Revenue recognition 75% of budgeted expenditure
1689	Interest Earnings - Reserves	30,000	280,000	250,000	Favourable interest earnings due to the higher interest rate environment and larger investment portfolio
2421	Transfer to East Fremantle Oval Reserve	-1,650,272	-1,900,272	-250,000	Transfer additional interest earnings to the EF Oval Redevelopment Reserve
2428	Transfer from East Fremantle Oval Reserve	0	2,976,442	2,976,442	Bring forward Reserve Transfer from 23/24 FY to meet the Town's proportional funding requirement
New	LotteryWest Grant (1 st Instalment)	0	672,530	672,530	50% Lotterywest Grant to be recognised in 22/23 FY
		-1,620,272	-1,664,684	-44,412	

5. Adopt the following budget allocations for 2023/24 based on the East Fremantle Oval Redevelopment Project cash flow model and adopted revenue recognition measure.

General Ledger	Account Description	23/24 Budget	Comment
E11738	Capex - EF Oval Redevelopment	-17,892,755	DCWC/Cooper and Oxley Forecast
I11160	Non-Operating Grants - EF Oval	12,991,078	Revenue recognition – remaining balance of grant
2421	Transfer to East Fremantle Oval Reserve	-776,442	Payback to EF Oval Reserve – net funding from Reserve is \$2.2m (\$2,976,442 - \$776,442)
New	LotteryWest Grant (2nd Instalment)	672,530	50% Lotterywest Grant to be recognised in 23/24 FY
New	Loan Borrowings	4,800,000	Loan Funding Date 1 November 2023
New	AFL Funding	250,000	Funding anticipated in 23/24 FY
	Change in Net Current Assets	\$44,411	This surplus offset the small deficit of (\$44,412) from 22/23

(CARRIED UNANIMOUSLY)

REPORT ATTACHMENTS

Attachments start on the next page

OUR REF:
ENQUIRIES:



Memorandum

To: OAG - Auditor 2021-22
From: Consultant / Executive Manager Corporate Services
Subject: Revenue Recognition – East Fremantle Oval Redevelopment Project – Grant
Income
Date: 5 October 2022

PURPOSE

The purpose of this position paper is to outline the revenue recognition principles applied to grant income associated with the East Fremantle Oval Redevelopment Project ("the Project").

Contained as an appendix to this paper is the procedure for reconciling the project funding and recognizing the income at the end of each month.

BACKGROUND

In December 2021 the Town entered into a financial assistance agreement ("Agreement") with the Department of Local Government, Sport and Cultural Industries (DLGSC), to contribute funding toward the redevelopment of the East Fremantle Oval. The original Agreement was for DLGSC to contribute \$20,000,000 (\$20m) towards the cost of the project.

Subsequent to a review of the Project costings, a variation to the Agreement was entered into in July 2022 increasing the funding provided by DLGSC to \$25,000,000 (\$25m).

Provided below is an extract of the variation detailing the payment milestones.



DEED OF VARIATION

PARTIES

STATE OF WESTERN AUSTRALIA (State) acting through the Department of Local Government, Sport and Cultural Industries (ABN 14 445 022 107) of 246 Vincent Street, Leederville, WA 6007 (**DLGSC**)

AND

Town of East Fremantle (ABN 80 052 365 032) of 135 Canning Highway, East Fremantle, WA 6158 (**Recipient**)

BACKGROUND

- A. The State and the Recipient entered into a Financial Assistance Agreement on 2 December 2021 (**Agreement**) for the State to provide \$20 million state funding to support the East Fremantle Oval redevelopment (**Project**).
- B. Due to the current market conditions, the Project’s estimated construction costs are expected to rise from \$26.5 million to \$32.5 million. As such, the Recipient requested from the State an additional \$5 million state funding to cover additional expected construction costs.
- C. In response, the Sport and Recreation Minister has approved and endorsed an additional State contribution of \$5 million funding towards the Project, to enable it to proceed in line with the intent of the election commitment and community expectations.
- D. The Parties have agreed to amend the Agreement terms to reflect the additional funding amount and certain other variations as set out in this Deed of Variation (No. 1) (**Deed**).

(b) In Schedule 4, Item 3.1 (**Manner of Payment**) under paragraph ‘c.’, delete the table in its entirety and replace with the following table:

A Serial	B Milestone	C Instalment Amount
1	Execution of this agreement	\$2,500,000
2	Awarding of a construction contract	\$8,000,000
3	Evidence of commencement of physical works	\$5,000,000
4	Evidence of 50% completion	\$9,000,000
5	Evidence of practical completion	\$500,000

(c) In Schedule 4, Item 4.4 (**Project budget**), delete the table in its entirety and replace with the following table:

Project items	Funds under this Agreement (\$)	Other Funding (\$)	Name of Sources of Other Funding	Total Funds (\$)
As detailed in 4.1 Project description	\$25,000,000			\$25,000,000
		\$7,000,000	Town of East Fremantle	\$7,000,000
		\$300,000	TBC	\$300,000
		\$200,000	AFL Facility Fund	\$200,000
TOTALS	\$ 25,000,000	\$7,500,000		\$ 32,500,000



The total Project funding is summarised in the table below:

<i>Project Funding (ex GST) - Cash Received</i>	\$
DLGSC - Financial Assistance Grant	25,000,000
Town of East Fremantle - Loan Borrowings	4,800,000
Town of East Fremantle - Sale proceeds George St Property	1,000,000
Town of East Fremantle - Reserve Funds	1,450,000
AFL Facilities Fund (WAFFF)	250,000
Total	32,500,000

The total expenditure budget for the Project is \$32,500,000 and is detailed in the *Town of East Fremantle East Fremantle Oval Redevelopment – Design Development Gateway Report* dated 27 June 2022.



10 ESTIMATED COSTS

10.1 Cost Plan

The endorsed project budget is \$32.5m and this is considered sufficient to deliver a quality outcome in line with the expectations of ToEF and their stakeholders. The Cost Plan has been updated to reflect the current design which has been endorsed by stakeholders and has been developed in line with Gateway comments. The current Cost Plan indicates a cost of \$32.97m and this is provided in Appendix 3.

10.2 Cost Plan Outlook

This Cost Plan has been updated though has a similar outcome to the Cost Plan produced prior to Gateway 2. Whilst the Cost Plan has continued to highlight a potential budget exceedance of \$470k, there has been a drive to maintain all ToEF and stakeholder requirements some of which have resulted in cost increases from the Gateway 1 Cost Plan.

At this stage, having a Cost Plan higher than the budget is not considered an issue as there are opportunities to recover the 1.5% exceedance. Initiatives include:

- Further Value Management opportunities as design continues
- Opportunities through the MTT process in design, buildability, and materials
- PV procurement options
- Operator contributions

At this stage, the exceedance is an outcome of the stage of design and the budget of \$32.5m can be achieved through the initiatives noted above.

10.3 Contingencies

Within the Cost Plan, 5% Construction Contingencies have been maintained though, due to the state of the design, the Design Contingency has been reduced to 3%, maintaining a total contingency allowance of \$2.05m. Design Contingencies will be decreased/removed/allocated once the MTT has progressed through the TPA pricing stage.

10.4 Endorsement Required

Endorsement is sought for the following:

- Progress with the Design Documentation based on Cost Plan actions to reduce to \$32.5m or less

Updated Budget/Cost Breakdown

Item	Budget*	Gateway 2**	DD Cost Plan**	Variance to Budget
Construction	\$ 24,987,000	\$ 24,760,464	\$ 25,205,110	\$ (218,110)
Headworks	\$ 0	\$ 293,000	\$ 296,500	\$ (296,500)
Design Contingency	\$ 2,498,700	\$ 1,237,622	\$ 756,153	\$ 1,742,547
Construction Contingency	\$ 1,374,300	\$ 1,299,399	\$ 1,298,063	\$ 76,237
Professional fees	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 0
FF&E	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ (500,000)
Public Art	\$ 240,000	\$ 240,000	\$ 240,000	\$ 0
Escalation	\$ 0	\$ 1,260,832	\$ 1,273,217	\$ (1,273,217)
TOTAL	\$ 32,600,000	\$ 32,871,218	\$ 32,888,043	\$ (488,043)

*Estimated breakdown based on \$32.5m

** DCWC Cost Plan dated 10 May 2022 (Gateway 2) - Superseded

** DCWC Cost Plan dated 27 June 2022 (Appendix 3)

Unless renegotiated with current funding bodies, or new funding is acquired, any expenditure over the Project budget will be the responsibility of the Town of East Fremantle to fund.

Two new accounting standards relevant to revenue recognition for local governments came into effect on 1 July 2019 being:

- AASB 15 *Contracts with Customers*; and
- AASB 1058 *Income of Not-for-Profit Entities*.



ASSESSMENT

AASB 15 Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes the accounting principles a local government shall apply in relation to the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The core principle is that an entity will recognise revenue at an amount that reflects the consideration entitled in exchange for transferring goods or services to a customer.

AASB 15 provides a comprehensive framework for revenue recognition using the following five-step model:



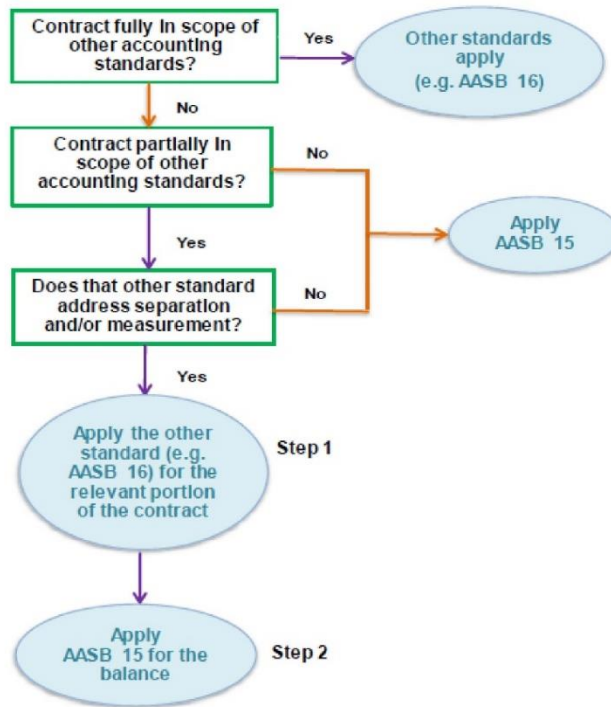
The standard requires a local government to recognise revenue aligned to the transfer of promised goods or services to customers for an amount that reflects the consideration the local government is entitled for those goods or services.

Each contract with a customer needs to be assessed to identify the performance obligations it creates. If there is a mismatch between the timing of performance obligations under a contract and receiving an asset in exchange, for example, cash, or undertaking works and services in advance, then a contract liability or contract asset is created until the performance obligation(s) under the contract are satisfied. Once the performance obligation(s) are satisfied, the associated level of revenue is recognised.

A contract with a customer may partially be in the scope of AASB 15 and partially within the scope of other Standards. In such instances, a local government is required to apply the other standard first, if those standards specify how to separate and/or initially measure one or more parts of the contract. The entity will then apply AASB 15 to the remaining components of the contract.



Decision tree for the application of AASB 15



AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not for Profit Entities* applies to local governments and significantly changed income/revenue recognition from its application date.

The purpose of AASB 1058 is to more closely recognise Not for Profit income transactions that are not contracts with customers in accordance with their economic reality. Therefore, AASB 1058 needs to be recognised in conjunction with AASB 15 Revenue from Contracts with Customers.

Local governments often receive a grant to either buy or construct a non-financial asset, such as a building, for their own future use.

A recognisable non-financial asset that is to be controlled by the entity in accordance with AASB 1058.15 is one that:

- a. requires the entity to use that financial asset to acquire or construct a recognisable non-financial asset to identified specifications;
- b. does not require the entity to transfer the non-financial asset to the transferor or other parties; and
- c. occurs under an enforceable agreement.

Financial assets transferred to a local government to construct or acquire a recognisable non-financial asset to be controlled by a local government are recognised initially, in accordance with AASB 9 Financial Instruments, on receipt of the financial asset. Subsequently the non-financial asset is recognised in accordance with AASB 116 on construction or acquisition.

When recognising the asset AASB 1058.9 requires increases in liabilities, decreases in assets and revenue to be recognised in accordance with the relevant accounting standard. The difference between the 'related amount' and the value of the non-financial asset recognised is required to be recognised as a liability by AASB 1058.16 until such time as the local government has satisfied its obligations under the initial transfer of the financial asset. When or as these obligations are satisfied the difference is recognised as income in profit or loss.

Transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity

- 15 A transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity is one that:
 - (a) requires the entity to use that financial asset to acquire or construct a recognisable non-financial asset to identified specifications;
 - (b) does not require the entity to transfer the non-financial asset to the transferor or other parties; and
 - (c) occurs under an enforceable agreement.
- 16 An entity shall recognise a liability for the excess of the initial carrying amount of a financial asset received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity over any related amounts recognised in accordance with paragraph 9. The entity shall recognise income in profit or loss when (or as) the entity satisfies its obligations under the transfer.
- 17 In such circumstances, the transferor has in substance transferred a recognisable non-financial asset to the entity. The entity recognises the financial asset received in accordance with AASB 9 and subsequently recognises the acquired or constructed non-financial asset in accordance with the applicable Australian Accounting Standard (eg AASB 116 for property, plant and equipment). This Standard requires the entity to initially recognise a liability representing the entity's obligation to acquire or construct the non-financial asset and, if applicable, other performance obligations under AASB 15, which involve the transfer of goods or services to other parties. The liability in relation to acquiring or constructing the non-financial asset is initially measured at the carrying amount of the financial asset received from the transferor that is not attributable to related amounts for performance obligations under AASB 15, contributions by owners, etc. The liability is recognised until such time when (or as) the entity satisfies its obligations under the transfer.



Considering which Revenue Standard to Apply

To determine if AASB 15 or AASB 1058 applies requires a two-step process.

Step 1

Local government entities should first determine whether a transaction is a contract with a customer under AASB 15.

To be in scope of AASB 15, there should be:

1. an 'enforceable contract' – i.e. the contract between two or more parties must create enforceable rights and obligations
2. 'sufficiently specific performance obligations' – i.e. the NFP entity's promise to transfer a good or service must be sufficiently specific
3. 'underlying goods or services are not retained by the entity' – i.e. the goods or services will be transferred to the customer or to other parties on behalf of the customer (AASB 1058.IE5) and not retained by the entity for its own use.

If all criteria are met, income is recognised under AASB 15 when (or as) the performance obligations under the contract are satisfied. If any of these criteria are not met, then Step 2 applies.

Step 2

Determine if a volunteer service has been received or there is a significant 'donation' component in the contract. A donation component and thereby a donation transaction exists if:

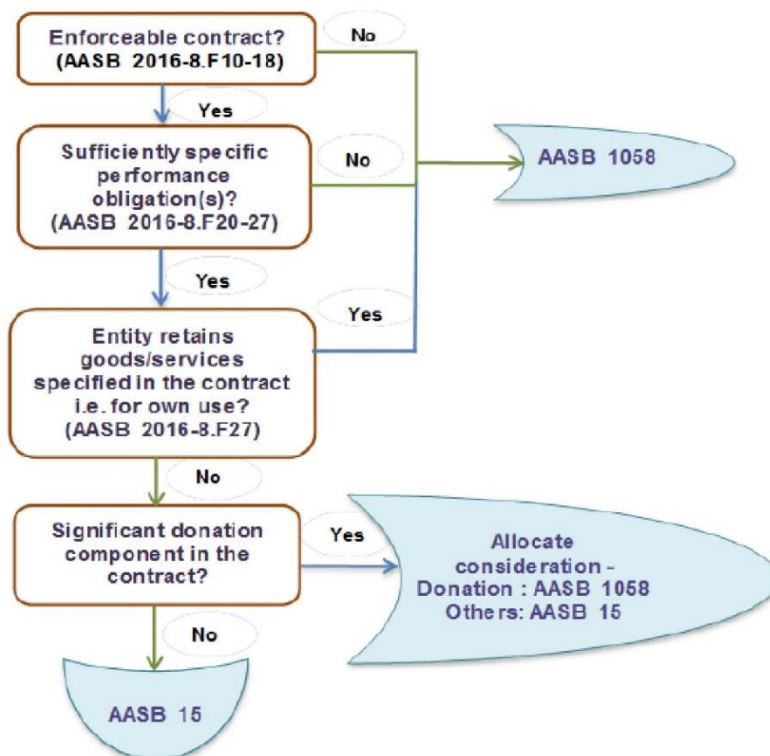
- the consideration to acquire an asset is significantly less than its fair value; and
- the intent is primarily to enable the NFP entity to further its objectives

AASB 1058 applies if NFP entities enter into 'donation' transactions as above or receive volunteer services.

In circumstances where a contract with a customer contains both a donation and non-donation component, the transaction should be allocated between AASB15 and AASB 1058 to ensure appropriate recognition.



Decision tree for which standard to apply



Specific transactions that fall under the scope of AASB 1058 include Transfers received to acquire or construct non-financial assets.

Application to Town of East Fremantle – East Fremantle Oval Redevelopment – DLGSC Financial Assistance Agreement

Below is the application of the above decision tree for which standard to apply for this Project and the Agreement:

1. Is there an enforceable contract?

Yes, the Financial Assistance Agreement was signed by both parties in December 2021, and a subsequent variation to the agreement signed in July 2022.

Yes: Go to Q2 No: AASB 1058

2. Are there sufficiently specific performance obligations?

Yes, the Agreement specifically outlines that the funds are to be utilised for the funding of the redevelopment of the East Fremantle Oval Precinct consistent with the *East Fremantle Oval Precinct Redevelopment Business Plan* and the *East Fremantle Oval Precinct Concept Masterplan*.



3. OBLIGATIONS OF RECIPIENT

3.1 Use of Funding

The Recipient must use the Funding only for the carrying out of the Project in accordance with this Agreement and the Approved Budget and expend such funds by the Completion Date. All such expenditure must be effected in a commercially prudent, sensible and reasonable manner. Furthermore, the Recipient must meet all Milestones in accordance with Schedule 4.

3.2 No Changes

The Recipient must not make any changes to the Project or the Approved Budget without the prior written consent of DLGSC, which consent may be withheld at DLGSC discretion.

3.3 No Endorsement

The Recipient agrees that nothing in this Agreement constitutes an endorsement by DLGSC of any goods or services provided by the Recipient.

3.4 Acknowledgement of DLGSC

(a) Any activity including presentations, publications, signage, articles,

SCHEDULE 4 – PROJECT DETAILS

1. Project

The purpose of the Funding is:

To redevelop the East Fremantle Oval Precinct consistent with the East Fremantle Oval Precinct Redevelopment Business Plan and the East Fremantle Oval Precinct Concept Masterplan.

Yes: Go to Q3

No: AASB 1058

3. Does the Town of East Fremantle retain the goods/services specified in the contract?

Yes, the land on which the EF Oval precinct sits in a Class A reserve vested to the Town of East Fremantle under management orders and forms part of the land assets of the Town.

The building/s are also assets constructed by the Town of East Fremantle and are and will remain assets of the Town.

Yes: AASB 1058 applies

No: Go to Q4

The financial assistance (grant) is a transfer received to acquire or construct non-financial assets

4. Is there a significant donation component within the contract?

Not Applicable as criteria for AASB 1058 met at Q3.

Application of AASB 1058

AASB 1058 requires Financial assets transferred to a local government to construct or acquire a recognisable non-financial asset to be controlled by a local government are recognised initially, in accordance with AASB 9 Financial Instruments, on receipt of the financial asset.

Subsequently the non-financial asset is recognised in accordance with AASB 116 on construction or acquisition.



When recognising the asset AASB 1058.9 requires increases in liabilities, decreases in assets and revenue to be recognised in accordance with the relevant accounting standard. The difference between the 'related amount' and the value of the non-financial asset recognised is required to be recognised as a liability by AASB 1058.16 until such time as the local government has satisfied its obligations under the initial transfer of the financial asset. When or as these obligations are satisfied the difference is recognised as income in profit or loss.

Hence the following entries would be completed in order to apply the criteria of AASB 1058 in relation this Project:

1. When receiving funding from DLGSC (Initial or subsequent progress payments)

Dr Cash
 Cr Liability (Other) - transfers received to acquire or construct non-financial assets

2. Upon performance obligations being met; project expenditure and associated revenue recognition

Dr Capital Expenditure – EF Oval Redevelopment Project (WIP)
 Cr Cash

Dr Liability (Other) - transfers received to acquire or construct non-financial assets
 Cr Capital grants, subsidies and contributions

CONCLUSION

Working through the application of AASB 15 and AASB 1058, and the specifics of the Agreement for the Project, management are satisfied that recognition of the funding provided is to be accounted for in accordance with AASB 1058 Income of Not-for-Profit Entities, as it is a transfer received to acquire or construct a non-financial asset.

The performance obligations of the agreement are met over time as the project is constructed and relevant entries will be made in accordance with an accrual basis of accounting as goods/materials are received (controlled) and services rendered by the Town each period ending.

Management have determined that the financial assistance grant funds (with the exception of milestone 5 - Practical Completion \$500k) will be expended prior to any other funds being needed (ie. Loan borrowings etc), and the first \$24.5m of Project expenditure relates to meeting the performance obligations of the Agreement.

A Serial	B Milestone	C Instalment Amount
1	Execution of this agreement	\$2,500,000
2	Awarding of a construction contract	\$8,000,000
3	Evidence of commencement of physical works	\$5,000,000
4	Evidence of 50% completion	\$9,000,000
5	Evidence of practical completion	\$500,000

A procedure for the recognition of funds received, reconciliation of the Project expenditure (meeting of performance obligations) and recognition of the revenue at each period end and the subsequent



reconciliation of any liability or asset is provided as an attachment to this paper.

Prepared By:

Kelli Small

ToEF Consultant

Peter
Kocian

Digitally signed

by Peter Kocian

Date: 2022.10.10

16:56:12 +08:00

Reviewed By:

Peter Kocian

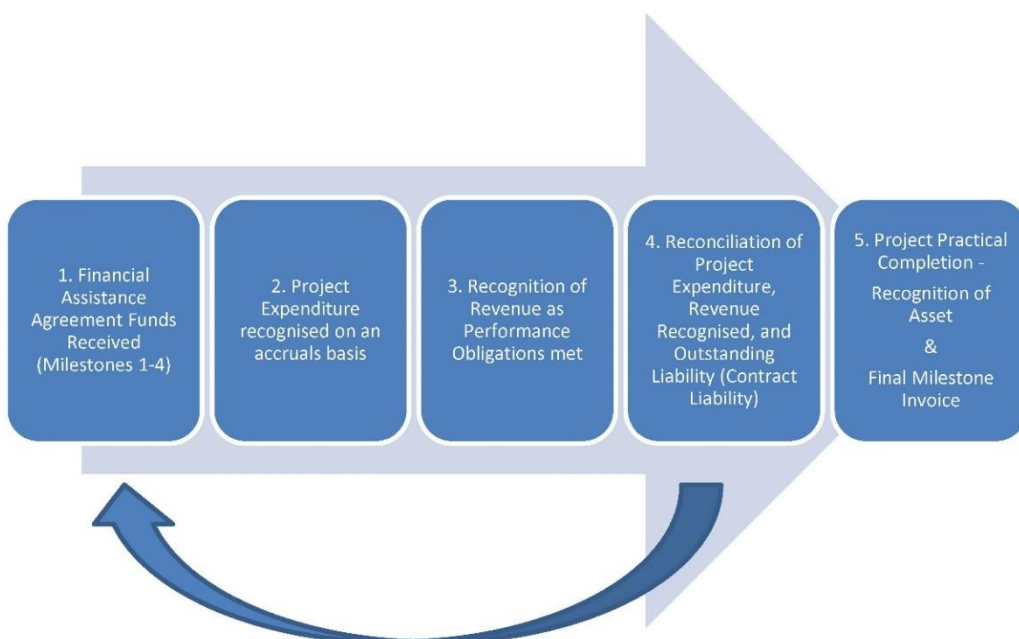
Exec Manager Corporate Services



PROCEDURE – FINANCIAL ASSISTANCE AGREEMENT (EF OVAL) AND RECOGNITION OF REVENUE AND EXPENDITURE

The following procedure outlines the recognition entries required for the capital grant funding received from DLGSC for the East Fremantle Oval Project. For information on the application of accounting standards, please refer to Position Paper 21-22 – Revenue Recognition – East Fremantle Oval Redevelopment Project.

The following diagram provides a pictorial of the steps required:



Step 1. Financial Assistance Agreement Funds Received (Milestones 1-4)

This step will recognise the funds as a liability on the balance sheet in accordance with AASB 1058. Invoices are to be raised in accordance with the Milestones contained within the Agreement.

A	B	C
Serial	Milestone	Instalment Amount
1	Execution of this agreement	\$2,500,000
2	Awarding of a construction contract	\$8,000,000
3	Evidence of commencement of physical works	\$5,000,000
4	Evidence of 50% completion	\$9,000,000
5	Evidence of practical completion	\$500,000



Step 1.1: Invoice to be raised (Project Manager)

Debtor Invoice Request to be provided to finance for processing in Synergy

Debtor: 300721 Department of Local Government Sport and Cultural Industries

Charge Code: 0096

Qty: 1

Price: Instalment amount plus GST (ie. Instalment 2 = \$8,800,000)

GST Indicator: C

Account: 10020890 - Current Liabilities - Contract Liabilities - East Fremantle Oval
Redevelopment Grant (DLGSC)

Description: Milestone # - Milestone Description (ie. Milestone 2 – Awarding of Construction
Contract)

Step 1.2: Process invoice request (Finance Dept.)

Process invoice request in line with Debtor invoicing process within Synergyssoft finance system.

Provide PDF invoice to Project Manager.

Step 1.3: Submit invoice to DLGSC (Project Manager)

Project Manager to provide invoice to DLGSC for payment.



2. Project Expenditure recognised on an accruals basis

This step recognises the works/services completed for the period, accounting for it in the project expenditure.

At the end of each reporting period (month), expenditure for the Project is to be recognised on an accruals basis.

Step 2.1: Receive information of project costs completed for period from Project Manager

Where the Project Builder is able to provide a report showing work/services completed for the month within 7 days of month end, utilise these figures for the journal, otherwise the builders cashflow forecast will be relied upon to make the accrual entry.

BUDGET REPORT
Cashflow
Town of East Fremantle
East Fremantle Oval Redevelopment
Report: Monthly Report - July 2022
Date: 29 July 2022

BUDGET ELEMENT	Component	Planned	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sept 22	Oct 22
Professional Fees															
Architect	Carabener	Planned	\$ -	\$ -	\$ -	\$ 31,510	\$ 64,358	\$ 34,557	\$ 83,045	\$ 141,289	\$ 89,441	\$ 65,934	\$ 65,854	\$ -	\$ 85,854
Project Manager	Donato Carl Watts Corke	Planned	\$ 11,232	\$ 11,232	\$ 11,232	\$ 11,232	\$ 11,072	\$ 11,072	\$ 9,048	\$ 9,048	\$ 9,048	\$ 12,288	\$ 12,288	\$ -	\$ 12,288
Client Representative	Paabach Associates	Planned	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ 7,692	\$ -	\$ 7,692
Quantity Surveyor	Donato Carl Watts Corke	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mechanical Engineer	Norman Disney & Young	Planned	\$ -	\$ -	\$ -	\$ -	\$ 6,900	\$ -	\$ 23,760	\$ 10,000	\$ 8,000	\$ -	\$ 28,828	\$ 28,828	\$ 28,828
Electrical Engineer	Norman Disney & Young	Planned	\$ -	\$ -	\$ -	\$ -	\$ 18,369	\$ 18,369	\$ 13,819	\$ 8,660	\$ 4,742	\$ 4,742	\$ -	\$ 1,061	\$ 1,061
Hydraulic Engineer	Norman Disney & Young	Planned	\$ -	\$ -	\$ -	\$ -	\$ 12,610	\$ 12,610	\$ 2,328	\$ 7,203	\$ 7,203	\$ 7,203	\$ 7,203	\$ 1,819	\$ 1,819
Civil Engineer	Forb	Planned	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 2,500	\$ 6,076	\$ 4,000	\$ 8,000	\$ 8,000	\$ 12,126	\$ 12,126	\$ 20,633
Structural Engineer	Forb	Planned	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 2,500	\$ 9,076	\$ 4,000	\$ 8,000	\$ 8,000	\$ 12,126	\$ 12,126	\$ 20,633
Sports Surfaces	SportEng	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 36,000	\$ 21,250	\$ 21,250
Art Coordinator	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ 27,710	\$ 27,710	\$ 9,260	\$ 9,260	\$ 2,238	\$ 2,238	\$ -	\$ -	\$ 1,930
FF&E Advisor	Alli	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Compass	Executive Compass	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ 9,000	\$ -	\$ 1,428	\$ 2,358	\$ 2,358	\$ -	\$ -
Legal	Jackson McDonald	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,000	\$ 76,000	\$ -
Geotech Engineer	Douglas Partners	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,250	\$ -	\$ -	\$ -
Total Professional Fees		Planned	\$ 18,924	\$ 18,924	\$ 18,924	\$ 188,144	\$ 179,338	\$ 125,783	\$ 148,084	\$ 219,689	\$ 163,289	\$ 142,837	\$ 169,887	\$ -	\$ 168,893
		Actual	\$ 13,232	\$ 13,232	\$ 13,232	\$ 122,824	\$ 89,165	\$ 65,128	\$ 141,186	\$ 174,899	\$ 158,281	\$ -	\$ -	\$ -	\$ -
FF&E															
FF&E	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total FF&E		Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction															
Forward Works	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction		Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Headworks and Statutory															
Headworks and Statutory	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Headworks and Statutory		Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Art															
Art	Ibc	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Art		Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies															
Design Contingency	n/a	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,238	\$ 189,238	\$ 189,238
Fee Contingency	n/a	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,630	\$ 2,630	\$ -
Construction Contingency	n/a	Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Contingencies		Planned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,868	\$ 191,868	\$ 189,238
		Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL (excl. GST)		Planned	\$ 18,924	\$ 18,924	\$ 18,924	\$ 188,144	\$ 179,338	\$ 125,783	\$ 148,084	\$ 219,689	\$ 163,289	\$ 142,837	\$ 169,887	\$ -	\$ 168,893
		Actual	\$ 13,232	\$ 13,232	\$ 13,232	\$ 122,824	\$ 89,165	\$ 65,128	\$ 141,186	\$ 174,899	\$ 158,281	\$ -	\$ -	\$ -	\$ -
Total (incl. GST)		Planned	\$ 20,917	\$ 20,917	\$ 20,917	\$ 191,869	\$ 190,863	\$ 132,907	\$ 162,937	\$ 239,259	\$ 179,209	\$ 147,965	\$ 192,497	\$ 306,704	\$ 179,770
		Actual	\$ 10,368	\$ 10,368	\$ 10,368	\$ 136,656	\$ 99,910	\$ 72,345	\$ 159,316	\$ 202,093	\$ 149,000	\$ -	\$ -	\$ -	\$ -
TOTAL CUMULATIVE (excl. GST)		Planned	\$ 18,924	\$ 37,848	\$ 56,772	\$ 184,917	\$ 364,148	\$ 489,931	\$ 638,025	\$ 857,714	\$ 1,020,993	\$ 1,163,830	\$ 1,325,717	\$ 1,495,605	\$ 1,664,498
		Actual	\$ 11,232	\$ 22,464	\$ 33,696	\$ 44,888	\$ 134,752	\$ 204,917	\$ 294,103	\$ 406,002	\$ 508,291	\$ 580,572	\$ 662,264	\$ 744,528	\$ 826,666
Total Cumulative (incl. GST)		Planned	\$ 20,917	\$ 41,834	\$ 62,751	\$ 206,781	\$ 407,911	\$ 540,838	\$ 710,962	\$ 949,973	\$ 1,170,202	\$ 1,352,797	\$ 1,545,184	\$ 1,752,309	\$ 1,974,268
		Actual	\$ 10,368	\$ 20,736	\$ 31,104	\$ 41,472	\$ 131,668	\$ 201,593	\$ 280,909	\$ 383,002	\$ 485,095	\$ 564,367	\$ 643,631	\$ 722,895	\$ 802,061

Step 2.2: Prepare Journal workings/General Journal Template

Complete the excel journal template and attached workings for review by Finance Manager or Exec Manager Corporate Services.

Journal entry is to be:

Dr Project expense Code (as this is a Job, a Cost Centre and Element Type is required):

Job – E11738



3. Recognition of Revenue as Performance Obligations met

This step will recognise the grant funds as revenue in the profit and loss as performance obligations are met.

As part of month end procedures, a reconciliation of all contract liability accounts is completed, reviewing the expenditure to date and posting any required revenue recognition journal.

COA Description	IE	Inc/Exp Analysis	Original Budget	Current Budget	YTD Budget	Opening Balance	YTD Actual	Total Actual
000116 Cash and Cash Equivalents - Restricted - Unspent Grants Investments	00	ie Code 00	\$0.00	\$0.00	\$0.00	\$1,809,648.21	\$0,000,000.00	\$7,809,648.21
000261 Current Assets - Cash and Cash Equivalents - Restricted - Unspent Grants	00	ie Code 00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		TOTAL CASH	\$0.00	\$0.00	\$0.00	\$1,809,648.21	\$6,000,000.00	\$7,809,648.21
002081 Current Liabilities - Riverbank Funding Grant (John Tonkin Foreshore Stabilisation)	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$75,000.00	\$0.00	-\$75,000.00
002082 Current Liabilities - Better Bins Kerbside Collection Program (Operating Grant)	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$7,656.31	\$0.00	-\$7,656.31
002086 Current Liabilities - Contract Liabilities - Urban Canopy Grant Program	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$24,822.88	\$0.00	-\$24,822.88
002088 Current Liabilities - Contract Liabilities - URCIP	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$39,269.09	-\$126,272.00	-\$165,781.09
002089 Current Liabilities - Contract Liabilities - East Fremantle Oval Redevelopment Grant (DLGSC)	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$5,512,229.24	-\$8,000,000.00	-\$3,512,229.24
002090 Current Liabilities - Contract Liabilities - Nature Playground Grant (DLGSC)	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$52,000.00	\$0.00	-\$52,000.00
002091 Current Liabilities - Contract Liabilities - CHRMAP	00	ie Code 00	\$0.00	\$0.00	\$0.00	-\$39,430.75	\$0.00	-\$39,430.75
		TOTAL CONTRACT LIABILITIES	\$0.00	\$0.00	\$0.00	\$1,809,648.21	\$8,126,272.00	\$6,315,620.21
E12843 Infrastructure - Footpaths - Renewal - Petra St (View Tee - Preston Point Rd)			\$08,000.00	\$08,000.00	\$17,000.00	\$0.00	\$0.00	\$0.00
							Amount to be transferred from Contract Liability to Income Account	\$0.00
I11160 Non-Operating Grants, Subsidies and Contributions - Other Recreation & Sport - State - EF Oval Redevelopment	141	Grants & Subsidies - Capital	-\$13,000,000.00	-\$13,000,000.00	-\$2,000,000.00	\$0.00	\$0.00	\$0.00
E11738 Buildings - East Fremantle Oval Precinct Redevelopment			\$13,000,000.00	\$13,000,000.00	\$2,000,000.00	\$0.00	\$798,605.46	\$798,605.46
							Amount to be transferred from Contract Liability to Income Account	\$798,605.46

The journal to recognise grant revenue from the contract liability account is:

Dr Contract Liability (2089)
 Cr Non-Operating Grants, subsidies and Contributions (I11160.141)

As this is not an in-depth reconciliation for each project, Step 4 is recommended each month to confirm what has been journalled here is also correct.

4. Reconciliation of Project Expenditure, Revenue Recognised, and Outstanding Liability (Contracting Liability)

The Project Statement of Income and Expenditure is required to be audited and submitted to DLGSC with the Annual Report at the end of each financial year. Keeping this up to date regularly will assist with ensuring Steps 1, 2 & 3 have been completed correctly and reconciles appropriately as well as assisting in a quick turnaround at year end.


Step 4.1: Prepare Reconciliations and complete Project Income and Expenditure Statement

The Project Reconciliation and Income and Expenditure statement can be found here:

[Y:\Corporate and Community\Grants and Subsidies\DLGSC - East Fremantle Oval Redevelopment\2022-23\DLGSC East Fremantle Oval Redevelopment Reconciliation at 30 June 2023.xlsx](#)

To reconcile at the end of each month, bring in the transactions for income (I11160), expenditure (E11738), Debtor (300721), Contract Liability Account (2089) into the appropriate tabs.





**TOWN of
EAST FREMANTLE**

STATEMENT OF INCOME AND EXPENDITURE

EAST FREMANTLE OVAL PRECINCT REDEVELOPMENT
BETWEEN

STATE OF WESTERN AUSTRALIA - DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES
AND
TOWN OF EAST FREMANTLE

FOR YEAR ENDED 30 JUNE 2022 (as at Month End 30/09/2022)

	Total Budget	Actual 21/22	Actual 22/23	TOTAL	Notes
Income					
<i>Grant Income (ex GST) - Cash Received</i>					
DLGSC - Financial Assistance Grant	25,000,000	2,500,000		2,500,000	
Town of East Fremantle - Loan Borrowings	4,800,000	-		-	
Town of East Fremantle - Sale proceeds George St Property	1,000,000				
Town of East Fremantle - Reserve Funds	1,450,000	-		-	
AFL Facilities Fund (WAFF)	250,000	-		-	
Other	-	-		-	
Total Income	32,500,000	2,500,000	-	2,500,000	
Expenditure					
Construction	24,987,000	-		-	

Inc-Exp Statement 2022-23>> Income 22-23>> 2089 Contract Liab. 22-23 11160 22-23 Debtor 22-23 Exp 22-23>> E11738 22-23 2021: ...



Review transactions and ensure that each ledger reconciles and is pulling through to the project income and expenditure statement (Inc-Exp Statement) correctly.

Ensure that Unspent Grant Balance equals the amount in contract liabilities GL account 2089

STATEMENT OF INCOME AND EXPENDITURE				
EAST FREMANTLE OVAL PRECINCT REDEVELOPMENT				
BETWEEN				
STATE OF WESTERN AUSTRALIA - DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES				
AND				
TOWN OF EAST FREMANTLE				
FOR YEAR ENDED 30 JUNE 2022 (as at Month End 30/09/2022)				
	Total Budget	Actual 21/22	Actual 22/23	TOTAL
Income				
<i>Grant Income (ex GST) - Cash Received</i>				
DLGSC - Financial Assistance Grant	25,000,000	2,500,000		2,500,000
Town of East Fremantle - Loan Borrowings	4,800,000	-		-
Town of East Fremantle - Sale proceeds George St Property	1,000,000	-		-
Town of East Fremantle - Reserve Funds	1,450,000	-		-
AFL Facilities Fund (WAFFF)	250,000	-		-
Other	-	-		-
Total Income	32,500,000	2,500,000	-	2,500,000
Expenditure				
Construction	- 24,987,000	-		-
Headworks	-	-		-
Design Contingency	- 2,498,700	-		-
Construction Contingency	- 1,374,300	-		-
Professional Fees	- 2,900,000	- 928,771		- 928,771
FF&E	- 500,000	-		-
Public Art	- 240,000	-		-
Escalation	-	-		-
Total Expenditure	- 32,500,000	- 928,771	-	- 928,771
Net Income / Expenditure	-	1,571,229	-	1,571,229
Unspent Grant Balance to Contract Liabilities				1,571,229.24

Step 4.2: Process any adjusting journals required by step 4.1

If there are any adjustments that need to be made, process the adjusting journals required to ensure the income, expenditure and outstanding contract liability reconcile to the project reconciliation.

Update the Project Reconciliation and Income and Expenditure statement workbook after these have been processed to show all of the transactions and correct balances.



5. Project Practical Completion - Recognition of Asset & Final Milestone Invoice

This step is completed upon practical completion of the project. The final milestone invoice is due upon practical completion (\$500,000 PLUS gst). It will invoice and recognise the final performance obligation being met and recognise the associated grant revenue in the P&L as include recognising the asset in the Fixed Asset Register.

Step 5.1: Invoice to be raised (Project Manager)

Debtor Invoice Request to be provided to finance for processing in Synergy

Debtor: 300721 Department of Local Government Sport and Cultural Industries

Charge Code: 0096

Qty: 1

Price: Instalment amount plus GST (ie. Instalment 5 = \$550,000)

GST Indicator: C

Account: 11111600.141 - Non-Operating Grants, Subsidies and Contributions - Other Recreation & Sport - State - EF Oval Redevelopment (Note as the performance obligation has been met, invoice directly to income account NOT the contract liability account)

Description: Milestone # - Milestone Description (ie. Milestone 5 – Practical Completion of Project)

Step 5.2: Process invoice request (Finance Dept.)

Process invoice request in line with Debtor invoicing process within Synergysoft finance system.

Provide PDF invoice to Project Manager.

Step 5.3: Submit invoice to DLGSC (Project Manager)

Project Manager to provide invoice to DLGSC for payment.

Step 5.4: Add completed capital works to Fixed Asset Register

Refer to the Towns Fixed Asset Additions procedure to process the addition of the EF Oval Project to the Fixed Asset Register.





Please quote

Our ref: BP 11002177/Approval

22 December 2022

Mr Gary Tuffin
Chief Executive Officer
Town of East Fremantle
PO Box 1097
FREMANTLE WA 6959

Dear Mr Tuffin

YOUR APPROVED LOTTERYWEST GRANT, APPLICATION: 420175282

Congratulations.

Your application for a grant has been recommended by the Lotterywest Board and approved by the Premier of Western Australia, the Hon. Mark McGowan MLA. The enclosed information provides important details regarding the management, payment and acquittal of your grant.

When the time comes to make a claim or acquit your grant please use our [Grant Management Tool](#). This tool can also be used if you need to request an extension of time or are seeking a variation to your grant purpose. Note: A new Grants System will be launched in July 2023 replacing the GMT, and as such the GMT will not be accessible from June 2023 onwards. This will not alter your acquittal obligations and we will provide more information closer to the launch date.

Lotterywest is proud to be the only Australian lottery with our own direct grants program. And it is because of our players and retailers that we can make grants like this possible.

Sharing the news about your grant and saying thanks to our retailers and players is a great way to let people know that playing Lotterywest games helps build a better WA together.

Don't forget to tag us with @Lotterywest and #Lotterywest on Facebook, Twitter, Instagram and LinkedIn when you post information on social media about your Lotterywest supported project.

Lotterywest
Locked Bag 66, Subiaco
Western Australia, 6904
38 Station Street, Subiaco
Western Australia, 6008

T: 133 777
W: lotterywest.wa.gov.au
E: hello@lotterywest.wa.gov.au



Lotteries Commission trading as Lotterywest®
ABN: 78 531 150 466



Public announcement of your grant

A Member of Parliament has been advised of your grant. You may be contacted to discuss the plans for an announcement of your grant to acknowledge the State Government's support.

If you would like to discuss any of the details in this letter, please contact our Customer Services team on 133 777.

Yours sincerely

A handwritten signature in blue ink, appearing to read "R. Addis". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Ralph Addis
Chief Executive Officer



Grant Approval Schedule

Organisation name: Town of East Fremantle
 Organisation number: 11002177
 Application number: 420175282
 Grants Development Officer: Caitlin Morgan

Details of your Approved Grant

Total amount granted: \$1,345,060.00

Date granted: 20 December 2022

Purpose: Up to \$1,345,060 towards a multi-use community space and nature playground which will raise community connection and participation in East Fremantle.

Overall conditions of the grant that must be met before payment can be made on any of the items below:

- 1. Development of a Grant Acknowledgement Agreement as agreed during grant development.
- 2. Provision of final quotes as agreed during grant development.

Overall grant accountability requirements that are applicable to all of the items below:

- The timeframe for final acquittal of this grant is 18 months from date granted. Subsequent drawdown periods must be no further than six months apart. Final drawdown is due 12 months from the date granted.

Items	Item specific prepayment conditions	Payment and accountability requirements	Amount approved
Project Costs			\$1,345,060.00
Towards a nature playground, barbeque area and multi-use community space (including up to 10% contingency costs).	Not applicable. See Payment & Accountability requirements.	Once the overall conditions (if any) and item specific conditions (if any) have been met, payment will be made IN ADVANCE. Acquittal will be on provision of: <ul style="list-style-type: none"> • Completion of a Grant management tool. 	\$672,530.00
Towards a nature playground, barbeque area and multi-use community space (including up to 10% contingency costs).	Payment to be made on: <ul style="list-style-type: none"> • A completed Grant management tool that accounts for at least 75% of the previous payment. 	Once the overall conditions (if any) and item specific conditions (if any) have been met, payment will be made IN ADVANCE. Acquittal will be on provision of: <ul style="list-style-type: none"> • Completion of a Grant management tool. 	\$672,530.00
Total amount granted			\$1,345,060.00

This Grant Approval Schedule is valid as of 22 December 2022

Attachment -3

Confidential Attachment



TOWN of
EAST FREMANTLE

STATEMENT OF INCOME AND EXPENDITURE

EAST FREMANTLE OVAL PRECINCT REDEVELOPMENT
BETWEEN

STATE OF WESTERN AUSTRALIA - DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES
AND
TOWN OF EAST FREMANTLE

FOR YEAR ENDED 30 JUNE 2022

	Total Budget	Actual 21/22	TOTAL
Income			
<i>Grant Income (ex GST) - Cash Received</i>			
DLGSC - Financial Assistance Grant	25,000,000	2,500,000	2,500,000
Town of East Fremantle - Loan Borrowings	4,800,000	-	-
Town of East Fremantle - Sale proceeds George St Property	1,000,000	-	-
Town of East Fremantle - Reserve Funds	1,450,000	-	-
AFL Facilities Fund (WAFF)	250,000	-	-
Other	-	-	-
Total Income	32,500,000	2,500,000	2,500,000
Expenditure			
Construction	- 24,987,000	-	-
Headworks	-	-	-
Design Contingency	- 2,498,700	-	-
Construction Contingency	- 1,374,300	-	-
Professional Fees	- 2,900,000	- 928,771	- 928,771
FF&E	- 500,000	-	-
Public Art	- 240,000	-	-
Escalation	-	-	-
Total Expenditure	- 32,500,000	- 928,771	- 928,771
Net Income / Expenditure	-	1,571,229	1,571,229
Unspent Grant Balance to Contract Liabilities			1,571,229.24

SIGNED BY TOWN OF EAST FREMANTLE

**Peter
Kocian**

Digitally signed by
Peter Kocian
Date: 2022.08.29
09:02:20 +08'00'

Peter Kocian
Executive Manager Corporate Services

Date:

Attachment 5

Confidential Attachment

10.7 AUDIT COMMITTEE STATUS REPORT

Report Reference Number	ACR-415
Prepared by	Phil Garoni, Finance Manager
Supervised by	Peter Kocian, Executive Manager Corporate Services
Meeting date	Wednesday, 1 March 2023
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	

1. Consolidated Status Report (Confidential)

PURPOSE

It is recommended that the Audit Committee receive a status report on all outstanding matters raised in external audit reports, financial management reviews, performance audits, internal audit reports and any other review relevant to the Audit Committee's Terms of Reference.

EXECUTIVE SUMMARY

A status report has been prepared reporting against identified issues with respect to audit, risk management, internal controls, procurement matters and legislative compliance. The status report is not an exhaustive listing and will become a living document and updated as issues are identified. It is presented to the Audit Committee to assist in their role to report to Council and provide advice and recommendations on matters relevant to its terms of reference.

BACKGROUND

The Department of Local Government has published an Operational Guideline on Audit in Local Government. Appendix 3 of this Guideline lists several matters that should be presented to an Audit Committee for review and monitoring:

Risk Management:

- Reviewing whether the local government has an effective risk management system;
- Reviewing whether the local government has a current and effective business continuity plan;
- Reviewing areas of potential non-compliance with legislation, regulations and standards and local governments policies;
- Reviewing the following; litigation and claims, misconduct, and significant business risks;
- Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Reviewing the effectiveness of the local governments internal control system with management and the internal and external auditors;
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.

Internal Control Systems:

- Separation of roles and functions, processing and authorisation;
- Control of approval of documents, letters and financial records;
- Limit of direct physical access to assets and records;
- Control of computer applications and information system standards;
- Regular maintenance and review of financial control accounts and trial balances;
- Comparison and analysis of financial results with budgeted amounts;
- Report, review and approval of financial payments and reconciliations;
- Comparison of the result of physical cash and inventory counts with accounting records.

Legislative Compliance:

- Monitoring compliance with legislation and regulations;
- Reviewing the annual Compliance Audit Return and reporting to Council the results of that review;
- Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;
- Obtaining assurance that adverse trends are identified and review managements plans to deal with these;
- Reviewing management disclosures in financial reports of the effect of significant compliance issues;
- Considering the internal auditors role in assessing compliance and ethics risks in their plan;
- Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements.

CONSULTATION

Executive Leadership Team
Manager Corporate Services

STATUTORY ENVIRONMENT

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of a local governments systems and procedures in relation to risk management, internal control and legislative compliance separately or all at the one time, on the provision that each matter is reviewed at least once every three years. The CEO is also required to report the results of that review to Council.

POLICY IMPLICATIONS

There are no Council Policies relevant to this matter.

FINANCIAL IMPLICATIONS

There are no direct financial implications stemming from the Officer's Recommendation. However, should the Audit Committee request independent assurance that controls have been implemented, then 3rd party costs will be incurred.

STRATEGIC IMPLICATIONS

Strategic Priority 5 – Leadership and Governance

5.1 Strengthen organisational accountability and transparency

5.3 Strive for excellence in leadership and governance

RISK IMPLICATIONS

RISKS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That key audit findings are not actioned within a timely manner	Possible (3)	Moderate (3)	Moderate (5-9)	COMPLIANCE Some temporary non-compliance	Control through oversight by the Audit Committee and ensuring adequate budget allocation for resourcing.

RISK MATRIX

Consequence		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Likelihood						
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

RISK RATING

Risk Rating	9
Does this item need to be added to the Town's Risk Register	Yes
Is a Risk Treatment Plan Required	No

SITE INSPECTION

Not Applicable.

COMMENT

The consolidated status report has been updated with new findings from the recent external audit, general computer control audit, financial management review and audit reg 17 reviews completed in 2022 and have been updated with management comment.

There was a total of 33 audit findings in the original status report that predominantly arose from the financial management review and audit reg 17 reviews completed in 2019 and 2022. All items that were marked as

complete from the prior status report have been hidden within the document, leaving only those findings as incomplete or ongoing, with updated comment.

Risk Category	No. Active Findings	Underway	Not Commenced
High	9	3	6
Medium	18	3	15
Low	5	1	4
	32	7	25

CONCLUSION

The Audit Committee should satisfy itself that the Town's performance in relation to completion against the Consolidated Status Report is acceptable and within the parameters of the Risk Framework.

10.7 OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

Committee Resolution 070103

OFFICER RECOMMENDATION

Moved Cr White, seconded Mayor O'Neill

That the Audit Committee receives the Consolidated Status Report on items relevant to its Terms of Reference.

(CARRIED UNANIMOUSLY)

NB: Mr Ben Arnold requested that the date of Closed Actions and Progress Update be included in the Status Report. Peter Kocian advised that he will include those suggestions in the Status Report going forward.

REPORT ATTACHMENTS

Attachments start on the next page

MINUTES OF AUDIT COMMITTEE MEETING WEDNESDAY, 1 MARCH 2023



11 MATTERS BEHIND CLOSED DOORS

Nil.

12 CLOSURE OF MEETING

There being no further business, the Presiding Member declared the meeting closed at 7.13pm.

*I hereby certify that the Minutes of the ordinary meeting of the **Audit Committee** of the Town of East Fremantle, held on **1 March 2023**, Minute Book reference 1 to 12. were confirmed at the meeting of the Council on*

26 JULY 2023

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line.

Presiding Member