

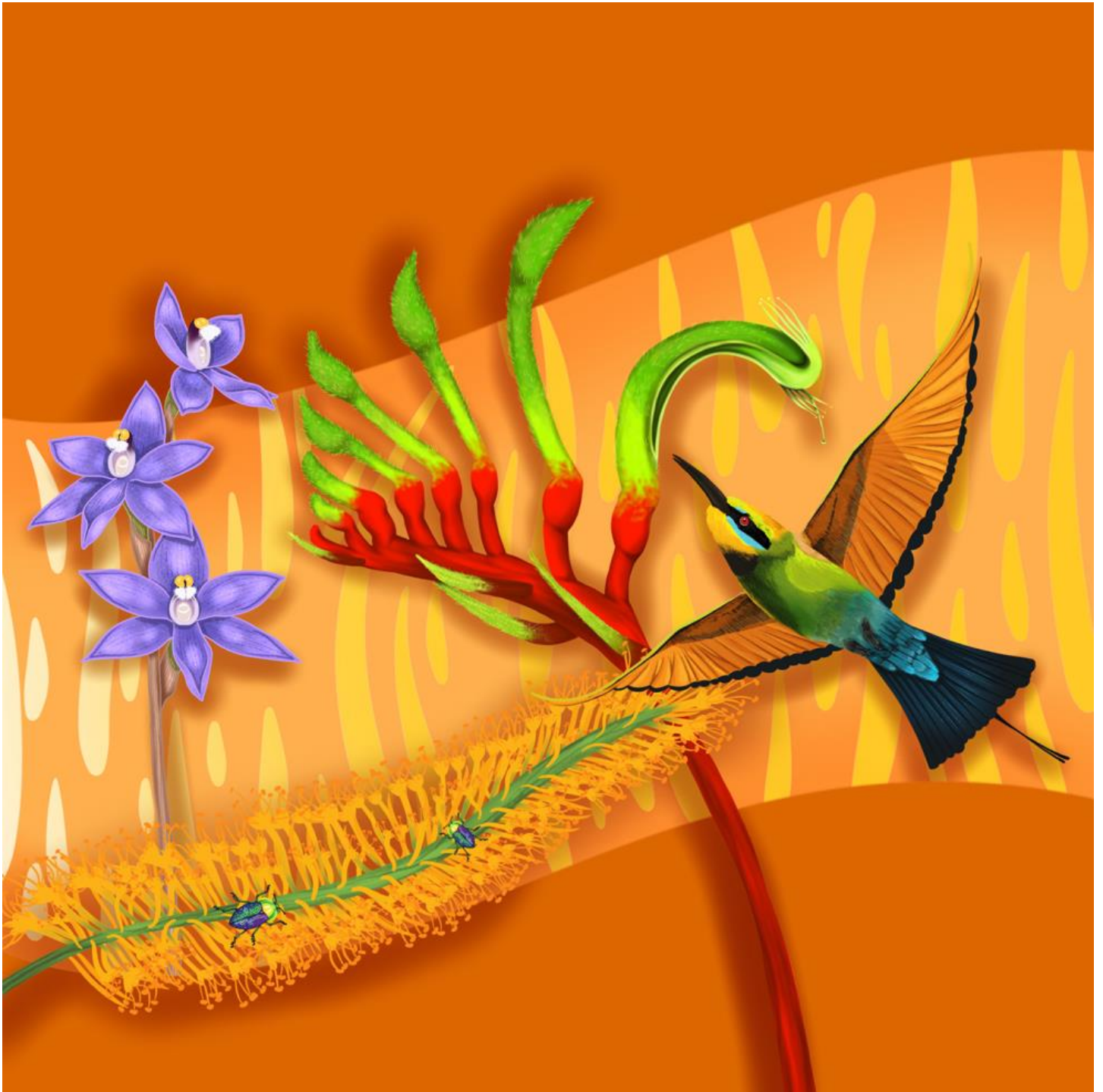


Annual Report

2022-2023



TOWN of
EAST FREMANTLE
Growth Lifestyle Sustainability



Acknowledgement of Country

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

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

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Message from the Mayor

On behalf of East Fremantle, I am pleased to present our Annual Report for 2022-2023. Reporting against our Community Strategic Plan 2020-2030, here we detail the Town's five strategic priorities of Social, Economic, Built Environment, Natural Environment, and Leadership and Governance, and highlight the 2022-2023 achievements under each strategic priority.

In March the State Government further boosted their investment in our East Fremantle Oval Precinct Redevelopment project with the Sport and Recreation Minister David Templeman announcing a \$1.3 million Lotterywest Grant for an all-abilities nature play space and skate zone. This grant takes the State Government's total contribution to \$26.3 million and we are truly thankful to the State Government, Lotterywest and Member for Bicton, Lisa O'Malley MLA.

In the 2022-2023 financial year, the Western Australian Planning Commission (WAPC) endorsed the Town's new Local Planning Strategy, we opened our electric vehicle charging station and the new pump track and nature play community facilities at Gourley Park. The Town's Reflect Reconciliation Action Plan (RAP) was officially accredited by Reconciliation Australia and we launched the beautiful artwork, created for the Town by Yabini Kickett, to represent each of the six Nyoongar Seasons, Council adopted the updates to the Town Centre Redevelopment Guidelines and the Town's Local Commercial Centres Assessment and Strategy, we hosted a Water Sensitive Cities Index Benchmarking Workshop, and Water Corporation awarded the Town as a Gold Waterwise Council.

We truly live in a unique area which prides itself on natural beauty, rich history and heritage and being an inclusive community, balancing growth, lifestyle and sustainability.

Jim O'Neill

Mayor



Thumbs up from the Hon. David Templeman (Sport and Recreation Minister) at the State Government's announcement of their \$1.3 million Lotterywest Grant on 1 March 2023.



Message from the CEO

I am pleased to present my first Annual Report, which reflects the commitment of Council and Staff in delivering quality services to our residents.

Highlights

During 2022-2023, the Town had a number of highlights including:

- Being recognised as the joint highest ranked local government area for a ‘place to live’ and as a ‘governing organisation’, as determined by the 2023 MARKYT Community Scorecard. These results are testament to the dedication and hard work of Council and Town Staff in delivering high quality services.
- Being accredited as a Gold WaterWise Council by the Water Corporation, recognising it as a leader in water efficiency.
- Commencing construction of the East Fremantle Community Precinct Redevelopment Project.
- Being a finalist and awarded Highly Commended for the WasteSorted Community Engagement Award for the 2022 George Street Festival.
- Renovating the playing surfaces at Wauhop Park to provide a much improved player experience.

Financial position

The Town prepared a Strategic Resource Plan and Revenue Strategy in the 2022-23 financial year. These documents form part of the Town’s long-term financial and asset management planning and are a key element of the Integrated Planning and Reporting Framework. They provide the planning tools to enable Council to determine the Town’s capacity to sustainably deliver the assets and services required by the community, whilst maintaining a stable pricing pathway for rates.

As with other local governments, the Town was challenged by rapidly ascending inflation, to levels not seen in 30 years, which continues to put pressure on the cost of delivery of Town services. Despite this, the Town continued its strong record of financial management, keeping rate increases to a minimum while still delivering the level of service our community expects.

Acknowledgement

I must acknowledge the contribution of former Chief Executive Officer, Gary Tuffin, who provided leadership to the Town for seven years prior to his departure in May 2023. Gary’s legacy includes an improved focus on customer service and the coordination of the largest project undertaken by the Town in many generations – the redevelopment of the East Fremantle Community Precinct.

In addition I wish to thank Andrew Malone, who served as the Town’s acting Chief Executive Officer following Gary’s departure, until my arrival. Andrew was ably supported by the Town’s Executive Leadership team and all its wonderful and dedicated employees, whose common purpose is to improve the wellbeing of the community.

In the coming year there will be a focus on strengthening our organisation to ensure we are fit for purpose and can continue to deliver a high quality of services and customer service to our residents into the future. I also look forward to seeing the delivery of key infrastructure projects as the Town continues to work towards achieving its vision to be an inclusive community balancing growth, lifestyle and sustainability.

Jonathan Throssell

Chief Executive Officer

East Fremantle at a Glance

Residential Dwellings: 3,415

Land Area: 3.2km²

Population: 8,060

Median Age: 44

Parks and Reserves: 24

River Foreshore: 3,400m

Primary Schools: 1

Length of Roads: 46km

Citizens Affirmed in 2022-2023: 20

25km from Perth CBD

Town of East Fremantle Wards



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

History



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

Highlights in Brief 2022-2023

Plastic Free July 2022



L-R – Michael Parker, Hon. Reece Whitby MLA, Hon. Simone McGurk MLA, Mayor Fitzhardinge, Rebecca Prince-Ruiz and Mayor O'Neill at the Up Cup Launch (Plastic Free July 2022)

Through the 'Up Cup' campaign, the Town partnered with the City of Fremantle, Fremantle Ports and the Department of Communities to support local coffee shops in the transition away from single use coffee cups by offering reusable takeaway alternatives. In addition to this, the Town continued to promote Plastic Free July by encouraging everyone to make small changes by choosing one single-use plastic to avoid.

Community Tree Planting



Community Tree Planting at Preston Point Reserve, East Fremantle Tennis Club and Richmond Primary in 2022

As part of the Town's 'Greening our Town' program, the community rolled up their sleeves and rolled up in large numbers at our community tree planting days. Here they are pictured at our community tree planting at Preston Point Reserve (July 2022) and East Fremantle Tennis Club (August 2022). Plus, the Town donated trees to Richmond Primary School's planting program (October 2022).

Oval Precinct Redevelopment



Former CEO, Gary Tuffin (centre) with Ryan Smith and Adrian Hackett from Cooper & Oxley on 18 May 2022.

After much community anticipation, demolition and site works commenced in the first half of the 2022-2023 financial year. Construction of the main building and outbuildings then steamed ahead, with the slab to the first floor completed by the end of the financial year. On 1 March 2023 the State Government further increased their financial support of the redevelopment with the announcement of a \$1.3million Lotterywest Grant towards an all-abilities nature play space and skate zone.

Habitat Enhancement Panels

In collaboration with the Department of Biodiversity, Conservation and Attractions (DBCA) Rivers and Estuaries Science (RES) Branch, in October 2022 the Town installed habitat enhancement panels along the river walls in East Fremantle, to support multi-species biodiversity and accelerate the development of diverse functional ecological communities.



Opening of Electric Vehicle Charging Station



Mayor Jim O'Neill and Rebecca James (CARG) at the official opening of the Town's EV Charging Station

In October 2022, Mayor Jim O'Neill and Rebecca James (Climate Action Reference Group Member) officially opened the Electric Vehicle Charging Station at Town Hall. The installation of this charging station supports Strategic Objective #1 Energy (Council will encourage the community to transition to zero emissions by 2030) and Strategic Objective #4 Transport (Council commits to no greenhouse emissions from its fleet by 2030) of the Town's Climate Emergency Strategy, which was adopted by Council in March 2022.

East Fremo's Splash of Colour



L-R Mayor Jim O'Neill, Lisa O'Malley MLA, Richmond Primary School staff and students, Water Minister Dave Kelly and artist, Nathan Hoyle, at the unveiling of the water pump station in November 2022

The Town's water pump station on Riverside Road, which was selected due to its prominent waterfront location, was given a splash of colour. Funded by Water Corporation as a thank you to our community for disruptions caused by upgrades to the ageing water pipes in East Fremantle, students from Richmond Primary School workshopped the design, and local artist, Nathan Hoyle, transformed the building.

Community Pumped at Gourley Park Opening



Lisa O'Malley MLA and Mayor Jim O'Neill officially opening the new community facilities at Gourley Park

In November 2022 the Town celebrated the opening of Gourley Park's pump track and nature play. Funded by the State Government and the Town, these new "community builder" facilities were officially opened by Lisa O'Malley MLA and Mayor Jim O'Neill and the opening was attended by Councillors, Staff and members from our community.

Reflect Reconciliation Action Plan



Following the submission of the designed version of our Reflect Reconciliation Action Plan (RAP), Reconciliation Australia officially accredited the document in November 2022. The artwork throughout the document was created for the Town by Yabini Kickett.

HMAS Perth (I) Memorial



In late 2022 the first stage of the HMAS Perth (I) Memorial, which commemorates the loss of HMAS Perth (I) at the Battle of Sunda Strait in March 1942, was completed. Located on Riverside Road in East Fremantle, the Memorial comprises a granite Wall of Remembrance complete with five flag poles and a half-size replica of one of its propellers mounted on a compass rose. The Town assisted with funding of this project, which is open for the public to appreciate at any time of the day.

Push Me Pull You Sculpture



Designed by Judith Forrest with Dan Gentle Art Foundry as the maker, the 'Push Me Pull You' sculpture was installed at our Silas Street roundabout in November 2022. The piece was selected by a previous Public Art Panel. Installation was delayed by Water Corporation's Pipes for East Fremantle project.

2022 George Street Festival



East Fremantle's George Street Festival, which showcases our unique George Street precinct, has been delighting visitors since 1989, and our 2022 festival was another huge success. Thousands of community members enjoyed hours of family fun, free activities, free entertainment, artisan stalls and tasty gourmet delights and refreshing beverages. Plus, the Town was again successful in banning single-use plastics from all areas of the festival by supplying reusable alternatives from GO2CUP to all food and beverage vendors.

2022 Seniors' Christmas Lunch



A well-loved tradition in East Fremantle is the annual Seniors' Christmas Lunch, which in 2022 was held on Monday, 5 December at the East Fremantle Yacht Club. Guests enjoyed a three-course lunch and listening to students from Richmond Primary School singing Christmas carols.

Local Commercial Centres Assessment and Strategy Adopted

At its Ordinary Meeting held on Tuesday, 13 December 2022, Council adopted the Town's Local Commercial Centres Assessment and Strategy (LCCAS). The LCCAS helps to understand the Town's needs over the next 15-20 years taking into account changes in population as well as changes in retail shopping and office trends and behaviours. It identifies issues and challenges as well as opportunities associated with providing for these needs and looks at employment opportunities and economic growth, including capturing more activity locally.

Six Nyoongar Seasons Artwork



In recognition of the Town's commitment to reconciliation and our acknowledgement of the Six Nyoongar Seasons which represent and explain the seasonal changes we experience annually, in late 2022 the Town commissioned artist, Yabini Kickett, to create artwork for the Town to represent each of the Six Nyoongar Seasons. This artwork was launched in early 2023.

Citizenship Ceremonies



In the 2022-2023 financial year the Town hosted two Citizenship Ceremonies, one in September 2022 at which we welcomed 11 (8 adults and 3 children) new Australian Citizens to our Esat Fremantle community and the other in March 2023 at which we welcomed 9 new Australian Citizens. These ceremonies are a highlight on our calendar.

Rooftop Solar at East Freo Kindy



With special acknowledgement of East Fremantle Kindy and East Freo CARG for driving this project and Lisa O'Malley MLA and the generous community members who contributed through the GoFundMe campaign, a 6.63kW rooftop solar system was installed at the kindy. This was a win, win financially and environmentally for future generations.

\$1.3m Lotterywest Grant



In March 2022, Sport and Recreation Minister David Templeman announced the State Government was again boosting its investment in our East Fremantle Oval Precinct Redevelopment project, with a \$1.3 million Lotterywest Grant for an all-abilities nature play space and skate zone.

Gold Waterwise Council



In May 2023 at the Water Corporation Waterwise Awards the Town received recognition as a Gold Waterwise Council. This award recognises the Town as a leader in water efficiency, acknowledging the Town's demonstrated achievement in best practice water management.

Council Members



Mayor James O'Neill

Preston Point Ward



Cr Tony Natale
(Deputy Mayor)



Cr Laura Mascaro
Resigned 16 April 2023

Woodside Ward

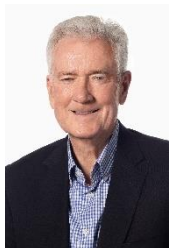


Cr Kerry Donovan



Cr Andrew White

Richmond Ward



Cr Andrew McPhail



Cr Dean Nardi

Plympton Ward



Cr Cliff Collinson



Cr Mark Wilson

Council Member Meeting Attendance 2022-2023

| Council Member | Ordinary Council Meetings | Special Council Meetings | Town Planning Committee Meetings | Audit Committee Meetings | Works Committee meetings | Electors' meeting | Total |
|--------------------|---------------------------|--------------------------|----------------------------------|--------------------------|--------------------------|-------------------|-----------|
| | (11) | (2) | (8) | (3) | (6) | (3) | (33) |
| Mayor Jim O'Neill | 10 | 2 | 6 | 3 | 5 | 2 | 28 |
| Cr Cliff Collinson | 8 | 2 | 8 | Not a member | 2 | 3 | 23 |
| Cr Kerry Donovan | 10 | 3 | Not a member | 2 | 6 | 1 | 22 |
| Cr Laura Mascaro* | 5 | - | 4 | Not a member | 2 | 1 | 12 |
| Cr Andrew McPhail | 9 | 2 | Not a member | 2 | 5 | 3 | 21 |
| Cr Dean Nardi | 11 | 1 | 7 | Not a member | 6 | 3 | 28 |
| Cr Tony Natale | 10 | 2 | 8 | 3 | 5 | 3 | 31 |
| Cr Andrew White | 10 | 1 | 6 | 2 | 5 | 2 | 26 |
| Cr Mark Wilson | 9 | 2 | Not a member | 1 | 6 | 2 | 20 |

*Cr Mascaro resigned on 16 April 2023

Council Members' Remuneration

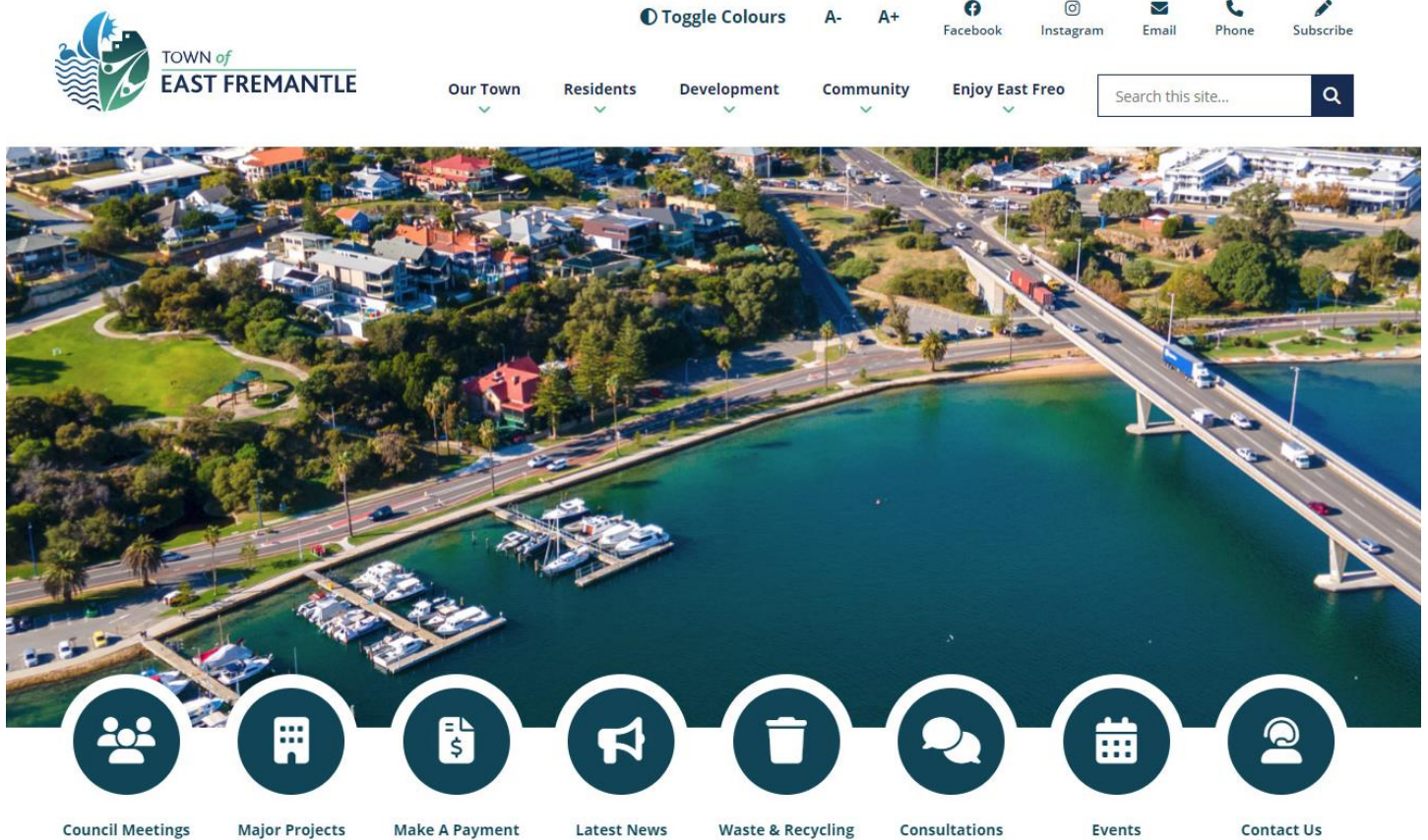
| TOWN OF EAST FREMANTLE FOR THE YEAR ENDED 30 JUNE 2023 | | | | | |
|--|-----------------------------------|------|----------------------|----------------------|----------------------|
| RELATED PARTY TRANSACTIONS | | | | | |
| (a) | | Note | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
| Mayor J. O'Neill | | | | | |
| | Mayor Annual Allowance | | 28,560 | 28,560 | 28,000 |
| | Meeting attendance fees | | 25,500 | 25,500 | 25,000 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 57,560 | 57,560 | 56,500 |
| Cr J. Harrington (elected to October 2021) | | | | | |
| | Deputy Mayor Annual Allowance | | 0 | 0 | 2,032 |
| | Meeting attendance fees | | 0 | 0 | 4,501 |
| | Annual allowance for ICT expenses | | 0 | 0 | 1,016 |
| | | | 0 | 0 | 7,549 |
| Cr K. Donovan | | | | | |
| | Meeting attendance fees | | 15,810 | 15,810 | 15,504 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 19,310 | 19,310 | 19,004 |
| Cr A. McPhail | | | | | |
| | Meeting attendance fees | | 15,810 | 15,810 | 15,504 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 19,310 | 19,310 | 19,004 |
| Cr M. McPhail (elected to October 2021) | | | | | |
| | Meeting attendance fees | | 0 | 0 | 2,584 |
| | Annual allowance for ICT expenses | | 0 | 0 | 583 |
| | | | 0 | 0 | 3,167 |
| Cr D. Nardi | | | | | |
| | Meeting attendance fees | | 15,810 | 15,810 | 15,504 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 19,310 | 19,310 | 19,004 |
| Cr A. Watkins (elected to October 2021) | | | | | |
| | Meeting attendance fees | | 0 | 0 | 4,501 |
| | Annual allowance for ICT expenses | | 0 | 0 | 1,016 |
| | | | 0 | 0 | 5,517 |
| Cr C. Collinson | | | | | |
| | Meeting attendance fees | | 15,810 | 15,810 | 15,504 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 19,310 | 19,310 | 19,004 |
| Cr T. Natale | | | | | |
| | Deputy Mayor Annual Allowance | | 7,140 | 7,140 | 4,949 |
| | Meeting attendance fees | | 15,810 | 15,810 | 15,504 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 3,500 |
| | | | 26,450 | 26,450 | 23,953 |
| Cr L. Mascaro (elected October 2021) | | | | | |
| | Meeting attendance fees | | 13,175 | 15,810 | 10,961 |
| | Annual allowance for ICT expenses | | 2,917 | 3,500 | 2,474 |
| | | | 16,092 | 19,310 | 13,435 |
| Cr M. Wilson (elected October 2021) | | | | | |
| | Meeting attendance fees | | 15,810 | 15,810 | 10,961 |
| | Annual allowance for ICT expenses | | 3,500 | 3,500 | 2,474 |
| | | | 19,310 | 19,310 | 13,435 |

| <i>(Continued over)</i> | | | | | |
|---|-------------|---------------|---------------|---------------|---------------|
| RELATED PARTY TRANSACTIONS | | | 2023 | 2023 | 2022 |
| Elected Member Remuneration | Note | Actual | Budget | Actual | Actual |
| | | \$ | \$ | \$ | \$ |
| Cr A. White (elected October 2021) | | | | | |
| Meeting attendance fees | | 15,810 | 15,810 | | 10,961 |
| Annual allowance for ICT expenses | | 3,500 | 3,500 | | 2,474 |
| | | 19,310 | 19,310 | | 13,435 |
| | | 215,962 | 219,180 | | 213,007 |

Communication with Our Community

Following the review of the Town’s existing publications, corporate documents and communication tools in the first half of the 2022 calendar year, and subsequently introducing a refreshed look, work continued on implementing changes to the Town’s website. Here are some highlights from marketing and communications:

Website



With the end-goal of a more user-friendly and easier to navigate website, the Town continued to implement design and functionality changes, including:

- the addition of new, easy to find quick link icons linking to some of the Town’s most frequently used pages,
- user-friendly links to Facebook, Instagram and to subscribe to the Town’s newsletters added to the header,
- a refreshed homepage features section, and
- the inclusion of colourful images for Latest News on the homepage.

Across the Town Press Campaign



With the sole purpose of increasing the reach of our messaging by targeting those who do not subscribe to TownTalk (e-News) or follow the Town on social media, the Town introduced a monthly, half page press advertisement in the local paper. Titled, 'Across the Town' this press campaign provides snippets of information from across East Freo and includes a QR code for those who wish to subscribe to electronic newsletters.

Corporate Documents

Following the fresh and revitalised look of the corporate documents in the first half of the 2022 calendar year, this new look and feel was applied to each corporate document including the Corporate Business Plan, Annual Report, Reflect Reconciliation Action Plan and Strategic Resource Plan.

Look Local Campaign



The Town continued the 'Look Local' campaign, emphasising the importance of “looking local” when considering options for cafes, restaurants and bars and retail outlets. Look Local in East Freo was published across the website, TownTalk and the printed Talk of the Town newsletters, on the reception screen and across social media platforms.

Communication Fast Facts 2022-2023 FY

- TownTalk Newsletters – 25 editions.
- Talk of the Town Printed Newsletters – 4 editions.
- Across the Town Press Ads – 6.
- Latest News Articles – 53.

Community Engagement

Throughout the 2022-2023 financial year, the Town maintained its commitment to vibrant community engagement, enriching connections through an array of events, social opportunities, and collaborative initiatives. The following highlights showcase the interactions and partnerships that defined our community engagement efforts during this period.

Community Assistance Grants Program:

The Town continued to support local sporting clubs and community groups throughout the 2022-2023 financial year. The Community Assistance Grants Program played a vital role in providing financial assistance to various organisations, contributing to the overall well-being and vibrancy of our community.

The Community Assistance Grants Program empowered groups to improve facilities, purchase new equipment, and undertake projects which demonstrated the Town's dedication to supporting grassroots initiatives.



Public Art Panel:

In the 2022-2023 financial year, the Town continued to enrich the cultural fabric of East Fremantle through the efforts of the Public Art Panel. This dedicated group convened three times during the year, with meetings held in August 2022, November 2022, and May 2023.

The Public Art Panel played a crucial role in shaping the Town's public art initiatives. The panel members included Mayor Jim O'Neill, Councillor Laura Mascaro, and community members Tony Jones, Wendy Robertson, Soula Veyradier, and Nikki Liley. Together, they brought diverse perspectives and expertise to the decision-making process, ensuring that public art installations reflected the Public Art Strategy values.



Headspace Day 2022:

In a collective effort to support youth mental health, the Town participated in Headspace Day 2022 on Wednesday, 5 October. The event, hosted by Headspace Fremantle at the Esplanade Park, unfolded as a vibrant part of Mental Health Week. The collaborative initiative saw the active involvement of neighbouring Local Government Authorities, including the City of Fremantle, City of Melville, and City of Cockburn. The day featured engaging activities, games, and giveaways, reinforcing the Town's commitment to fostering mental well-being among our youth.

Freo Cube-Off 2023:

As part of Youth Week WA, the Town partnered with Speedcubing Australia and the City of Fremantle to organise the highly successful Freo Cube-Off 2023 on Sunday, 16 April, at the Fremantle Town Hall. The event featured thrilling competitions using 3x3x3 cubes, 4x4x4 cubes and mirror blocks. Participants and spectators alike enjoyed a day filled with Speedcubing mastery, highlighting the culture of Speedcubing within our community and contributing to the celebration of Youth Week WA.



WA Tree Festival 2023:

Embracing the beauty and importance of trees, the Town was proud to join the WA Tree Festival in 2023. This state-wide celebration, which ran from 10 April to 10 May 2023, focused on trees, sustainability, and environmental awareness. In collaboration with 18 other Local Government Authorities, the month-long festival featured over 125 events, reaching out to more than 6,500 people across Western Australia.

The Town contributed to the festival's success by hosting a variety of workshops and events, promoting a greater understanding of the value of trees within our community.

In partnership with APACE WA, the Town hosted a waterwise garden and verge workshop on Wednesday, 18 April, providing residents with sustainable landscaping practices. Following this, the Town organised two sessions of Yoga Under the Trees in John Tonkin Reserve on Thursday, 19 April, providing residents with a unique and rejuvenating wellness experience amidst nature.



Wrapping up the festival, the Town collaborated with the City of Fremantle to co-host the Samson Tree Festival on Saturday, 29 April in Sir Frederick Samson Park, creating a vibrant celebration that brought the community together.



Corporate Services

Corporate Services is responsible for a diverse range of internal and external services including aged care services (Neighbourhood Link), ranger services, customer services, financial services including rates, records management, information technology, and leasing and contracts. Some of the key services are highlighted below:

Neighbourhood Link

Neighbourhood Link became operational when the Town was approved as a provider of social support in the Commonwealth Home Support Program. Since then, the Town has had success over many years in securing Government funding to provide residents, over 65 years, the opportunity to receive low level support for specified, everyday living tasks. Support provided by Neighbourhood Link assists those who wish to remain living safely and independently in their home in the future, by planning when they still feel well. Specifically, Neighbourhood Link can help participants with the benefits of social engagement and activity support, either as part of a group, or on a one-to-one basis, and supports family and carers when they need respite from care duty. All participants access the services through a referral that is presented to Neighbourhood Link via the My Aged Care Portal or, My Aged Care clients who hold their own referrals may contact Neighbourhood Link directly to discuss. For more information about Neighbourhood Link and the range of services on offer please call the friendly, caring team on 9339 9381.



Ranger Services

Ranger Services is responsible for managing compliance with State Government Legislation and Local Government Local Laws, including the *Dog Act 1976*, *Cat Act 2011*, *Litter Act 1979*, *Bush Fires Act 1954*, *Local Government Act 1995* and Parking Local Laws. The breadth of responsibility is significant. To assist the community in understanding the requirements under different legislation, numerous fact sheets have been developed and are available on the Town's website under 'Our Town' and 'News and Publications', including:

- Dog Exercise Areas
- Nuisance Barking Dogs
- Dog and Cat Registrations
- Heavy Vehicle Parking on a Carriageway
- Untethered Vehicles
- Skip Bins
- School Parking

The Town is focused on community education and voluntary compliance resulting in 3,883 cautions being issued in the report year, compared to 1,625 infringement notices. Ranger Services also captured 284 maintenance reports. The Ranger team recorded 6,872 individual interactions with the community including residents, visitors, businesses, sporting clubs and community groups and schools.



Customer Services

The Town of East Fremantle is proud of its history working together with the local community to provide essential services to the customer. The needs of the community are at the forefront of everything we do, therefore it is important to us that we strive to deliver customer service to the highest standard. The Town has published a Customer Service Charter which outlines the Town's service levels. In the 2022-2023 financial year, the Town processed 4,879 customer service requests and registered 14,241 corporate records.



More Fast Facts

- 99.35% of rates levied were collected, including arrears.
- 2,114 payments were made.
- 3,284 supplier invoices were processed.
- \$237,215 of direct funding provided to community groups and sporting clubs.
- 20 lease and community license agreements were managed.
- 2 funding agreements with community groups prepared administered.

Technical Services and Operations

Technical Services oversees, manages and maintains the Town's infrastructure including roads, footpaths, drainage, verges, parks, reserves and the East Fremantle Swan River foreshore, as well as maintenance of the Town's built assets. Below are some highlights from the 2022-2023 financial year:

Parks and Reserves

Local residents and visitors to East Fremantle appreciate the parks and reserves within the Town, and the bore and reticulation upgrades, installation of a dual drinking fountain (for dogs and humans), as well as BBQ facilities at Gourley Park were well received by all. The Town also installed remote reticulation controllers in six of its parks, meaning that it can access the majority of the reticulation controllers remotely.



In addition, the Town planted 178 trees within the 2022-2023 financial year, with a mixture of trees across parks, reserves, on verges and urban canopy tree replacements.

Resurfacing of Wauhop Park Football (Soccer) Fields

During the 2022-2023 financial year the Town undertook to renovate the playing surfaces at Wauhop Park Football (Soccer) Fields.



Road and Footpath Upgrades

There were two footpath upgrade projects in the 2022-2023 financial year whereby the old slab footpaths were upgraded to concrete in two separate sections on the south side of Canning Highway. In addition to this, there were road upgrade works on Marmion Street, between East Street and Stirling Highway, and two minor footpath upgrades were completed, upgrading the old slabs to red asphalt in Petra Street between View Terrace and Preston Point Road, and George Street between East Street and Glyde Street.

Other Infrastructure

The Town installed its first electric vehicle charging station, adjacent to the Town hall building. For a small fee, this electric vehicle charging station can be used by the wider public. The Town also installed habitat enhancement panels along the river walls, replaced the softfall at E.I. Chapman Playground and undertook major roof upgrade works at the Hurricane Paddling Club.



Regulatory Services – Town Planning and Building

The 2022-2023 financial year was a very busy period for the Town's Regulatory Services team. Here are some highlights:

Local Commercial Centres Assessment and Strategy

In December 2022 Council adopted the Local Commercial Centres Assessment and Strategy (LCCAS) to help understand the Town's needs over the next 15-20 years, taking into account changes in population as well as changes in retail shopping and office trends and behaviours. It identifies issues and challenges as well as opportunities associated with providing for these needs and looks at employment opportunities and economic growth, including capturing more activity locally. The LCCAS provides a rationale and guidance for future commercial /mixed use land use including development direction and control and recommended commercial floorspace requirements. No change is recommended to the Activity Centres Hierarchy of centres within the Town which includes Petra Street Centre (District Centre); Town Centre and Canning Highway Mixed Uses (Neighbourhood Centre and frame); and George Street Centre (Local Centre). However, should the Leeuwin Barracks site be redeveloped, a new local centre will be required to service further population growth.

'The Entrance'

In 2022 a development application was lodged with the State Development Assessment Unit (SDAU). The application proposed a mixed-use development that comprises 93 residential apartments and commercial uses with a designated landscaped area for what is intended to be 'publicly accessible open space'. The development comprises of two main buildings on the site; one is 19 storeys and the other 12 storeys with most parking provided in three basement levels. Council through the referral process requested the SDAU/Western Australian Planning Commission (WAPC) refuse the application, however on 11 May 2023 the WAPC approved the development subject to conditions.

Woodside Hospital Site

A Joint Development Assessment Panel application was received in July 2022 which proposed redevelopment of the former Woodside Hospital site. The redevelopment proposal involves complete redevelopment of the one hectare site, which extends from Dalgety through to Fortescue Street and comprises a 160 bed residential aged care facility, wellness centre (i.e., allied health services, pool, gym and hair salon), restoration and reuse of the State heritage listed building, Woodside House, for aged care accommodation/amenities and a café and supported independent living accommodation in two adjoining dwellings. The application was withdrawn in March 2023 and re-submitted to the State Development Assessment Unit (SDAU) in early 2023 and will be assessed / determined by the SDAU and the WA Planning Commission (WAPC) under the 'Significant Development' application pathway in accordance with State planning legislation. The Town is only a referral body for this application, providing comments, information and recommended conditions regarding the proposal. The application is still subject to assessment by SDAU and has not been determined by the WAPC.

Royal George Hotel

The development application for Phase 2 of the Royal George Hotel redevelopment was approved on 4 November 2021 by the WAPC under the 'Significant Development' application pathway. It included approval for the hotel uses, including a full refurbishment of the building for hospitality purposes, 10 hotel rooms, artisan food and beverage production and the construction of 24 apartments in a nine-storey building at the rear of the site. In July 2023 the Town received the referral of an amended application from the SDAU proposing to change the approved land uses of 'Hotel' and 'Artisanal Food and Beverage Production' to 'Tavern', internal alterations to the hotel including converting the upper floor hotel rooms to a function space and major modifications to the basement, lower ground and ground floors. A reduction in the number of apartments to 20 and internal alterations are also proposed to the apartment building but no change is proposed to the building height. It is intended that Council will consider a submission on the amended application at its meeting of 15 August 2023. The application is still subject to assessment by SDAU and has not been determined by the WAPC.

Wayfinding Signs



Early in 2023, the Town installed signage as part of a Wayfinding project to encourage people to walk or ride, rather than drive to places and points of interest within the Town, including parks and community facilities, commercial and civic areas, schools and bus stops. The signage (artwork supplied by the Department of Transport through the 'Your Move' program) comprises of colourful decals installed on the footpath at strategic locations identifying four destinations close by to each point. These give directional guidance as well as the estimated time it will take to walk (or in some instances ride) to the destinations from that point. The decals are temporary and will need to be replaced/updated after twelve to eighteen months.

During the 2022-2023 financial year, the Town received the following applications:

- 103 Development Applications.
- \$109,238,535 Total Development Value.
- 95% of applications were processed within the regulated time.
- 129 Building Permit Applications.
- \$46,331,518 Total Development Value.
- 84% of building permits were processed within the regulated time.

Regulatory Services – Climate Change, Waste and Environmental Health

Climate Emergency Action Plan CEAP (in progress)

- Consultant Ironbark was appointed in August 2022.
- Various workshops were held in October 2022 and November 2022.
- CEAP content was endorsed in May 2023 (with final approval of graphical component imminent).

East Fremantle Kindy



- East Fremantle Kindy, with much needed help from the community, raised money for a 6.6kW rooftop solar system to be installed, saving approximately \$1,500 annually.
- As building owner, the Town contributed 50% to the project.

Community Planting

- In November 2022 the Year 5 students' Environmental Committee at Richmond Primary School installed 9 trees across the school which were donated by the Town following a request from the Year 6 students' Environment Team to help create cooler, greener and healthier spaces for students and staff.
- In November 2022 the Town ran two planting days at the East Fremantle Kindy for 40 children using newspaper pots and plants from APACE nursery.
- In December 2022 the Town hosted an additional planting session at the East Fremantle George Street Festival giving away 400 tube stock using FOGO compost.

Water Sensitive Cities Workshop

- Water Corporation awarded the Town \$10,000 funding for a Waterwise Cities Benchmarking workshop held on 26 April 2023, facilitated by Urbaqua and Josh Byrne and Associates.
- Opened by the Minister for Training, Water and Youth and the Mayor, the workshop was also attended by Cr Nardi, staff from the Town, CARG, the Department of Biodiversity Conservation and Attractions, Department of Water and Environment Regulation, Water Corporation, Department of Planning Lands and Heritage and local community groups/businesses.

Waterwise Accreditation

- Following 3 years of Waterwise Accreditation, the Town was accredited as a Gold WaterWise Council recognising it as a leader in water efficiency, acknowledging demonstrated achievement in best practice water management.

WA Tree Festival

- In August 2022, The Town signed up as a partner of the 2023 WA Tree Festival which brings local governments and community groups together to share the value of trees.
- The festival featured a variety of workshops, school holiday activities, trails and wellness activities hosted over April and May 2023.
- The Town either ran or partnered events including Yoga Under the Trees; Verge Workshop, and Samson Tree Festival and gave attendees seed packets to encourage greening across the Town.

George Street Festival

- The 2022 George Street Festival was attended by over 16,000 people.
- 22,000 reusable items were consumed including plates, bowls, cutlery, cups, shot glasses and ice cream bowls.
- Resulted in a total of 210kg of waste including FOGO 124kg, Recycling 46.5kg (including 26kg of Containers for change) and General Waste 41.4kg (1.4kg litter + 3.3kg of contamination across all streams).

Waste Avoidance Fast Facts

- FOGO waste service provided to 98% of residential properties.
- 92% recovery on FOGO bin.
- 84% recovery on recycling (yellow top recycling bin).
- FOGO waste service provided to 26 businesses and a number of community groups.
- All general waste (red bin) to landfill.
- Funding for the implementation of the Town's Waste Plan (\$7,500 remaining for 2023-2024).
- 753 packs of compostable liners provided to residents free of charge (compared with 682 in 2021-2022).
- Finalist and awarded Highly Commended for the WasteSorted Community Engagement Award for the 2022 George Street Festival.
- 139 tonnes of green waste collected.
- 148 tonnes bulk and white/metal goods collected, 58 tonnes recovered.
- 109 mattresses recycled through Soft Landings.

Sustainability by Actions

- Town installed EV charger at Town Hall.
- Town was endorsed as a Gold Waterwise Council in 2023.
- Partnered with Plastic Free July for the fourth year.
- Collaborative planting with Richmond Primary School and East Fremantle Kindy.
- \$5,000 worth of tube stock sold to residents during the APACE annual plant sale.
- The Town partnered with Fremantle recycling Centre for the fifth year.
- 3,636 visits to the Fremantle Recycling Centre by East Fremantle residents (18% of the total waste and 73% waste recovered).
- 121 bags of FOGO compost sold.
- Joint workshops with the City of Fremantle.

Environmental Health Key Project Areas

- Working to meet the objectives of the Town's Public Health Plan.
- Ongoing involvement in Local Emergency Management Arrangements.
- Continued implementation of Disability Access and Inclusion Plan.
- Ensuring responsibilities are met with regards to organisational Work Health and Safety.

Physical Health

- Council continues to implement COVID-19 measures in line with State Government requirements.
- 25 staff received flu vaccinations.
- All staff offered free COVID-19 Vaccinations.
- All staff offered skin checks.

Mental Health

- R U OK? Day morning tea with guest presenter from the Happiness Co.
- Staff supported and participated in Movember fundraising activities.
- Two community sessions of Yoga Under the Trees were held in April as part of the Tree Festival.

Community Health Fast Facts

- Confirmed Food Poisoning Notifications - 0 Cases.
- Notifiable Infectious Disease Investigations – 1.
- Food Business Inspections – 76.
- Food Safe Audits – 5.
- Food Safe Online Training – 5.
- Public Building Inspections – 20.
- Recreational Water Samples (Swan River)- 40.
- Public Swimming Pool Samples – 37.
- Asbestos Samples – 3.
- Public Health Customer Request Investigations – 38.

Strategic Priority 1: Social



"A socially connected, inclusive and safe community."

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

2022-2023 Achievements

- Neighbourhood Link (the Commonwealth Home Support Program) continued to provide a comprehensive range of group social activities and one-on-one support care services.
- The Town continued to partner with the Glyde-In Community Learning Centre to provide a quality service through the provision of an extensive range of adult learning courses.
- Continued implementation of the Disability Access and Inclusion Plan and the Town identified activities and improvements to undertake across the organisation.
- Continued implementation of the Public Health Plan 2022-2027 to meet its key areas of 1) healthy people and community, 2) healthy places and spaces, and 3) healthy partnerships.



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

2022-2023 Achievements

- Commencement of construction works at the East Fremantle Oval Precinct Redevelopment.
- Opening of Gourley Park nature play and pump track facilities.
- Installation of dual water fountain and BBQ and picnic facilities at Gourley Park.
- Resurfacing of Wauhop Park Soccer Fields.
- Planting of 178 trees across parks, reserves and on verges.
- Installation of remote reticulation controllers in six of the Town's parks.
- Annual Playground Safety Audit Inspections undertaken across the Town's playgrounds.

| OBJECTIVES WHAT WE NEED TO ACHIEVE | STRATEGIES HOW WE'RE GOING TO DO IT | MEASURES OF SUCCESS HOW WE WILL BE JUDGED |
|---|---|---|
| 1.3 Strong community connection within a safe and vibrant lifestyle | 1.3.1 Partner and educate to build a strong sense of community safety | • Community perception of value of vibrancy and connectivity • Increase community perception of safety • Increase in community participation and satisfaction with events |
| | 1.3.2 Facilitate opportunities to develop community connections through events and celebrations | |
| | 1.3.3 Facilitate community group capacity building | |

2022-2023 Achievements

- Continuation of the 'Look Local' campaign to encourage residents and visitors to support local businesses.
- The Town hosted the 2022 George Street Festival, a highly successful, free community event.
- Continued to partner with the Local Emergency Management Committee (LEMC) to implement the Local Emergency Management Arrangements (LEMA).
- Town staff participated in the National Reconciliation Week Virtual Breakfast.

Community Assistance Grants

- Cockburn Dragon Boat Club - \$865.25 for boat cover and boat trolley.
- East Fremantle Croquet Club - \$1,000 for croquet mallets.
- Fremantle Outrigger Canoe Club - \$1,000 for shed fit out and club shirts.
- Fremantle Swan Dragon Boat Club - \$1,000 for two boat covers.
- Hurricane Dragon Boat and Outrigger Canoe Club - \$1,000 for steering paddles.
- East Fremantle Junior Cricket Club - \$2,310 for junior sporting equipment.
- Lions of East Fremantle - \$728.82 for enhancement to kids' train.
- Navy Cadets - \$1,500 for IT equipment for teaching purposes.
- Richmond Primary School - \$1,000 for canteen capital works.
- Swan Yacht Club - \$4,277.62 for disability hoist.

Strategic Priority 2: Economic

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

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

2022-2023 Achievements

- Council adopted the Local Commercial Centres Assessment and Strategy (LCCAS) to help understand the Town's needs over the next 15-20 years, taking into account changes in population as well as changes in retail shopping trends and behaviours.
- Local businesses supported through the continuation of the 'Look Local' campaign encouraging residents and visitors to look local in East Freo.
- Partnerships with the Perth South West Metropolitan Alliance, the Resource Recovery Group and the neighbouring local governments to explore economic opportunities.
- Updated and promoted business and community directories on the Town's website.



Strategic Priority 3: Built Environment

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

| OBJECTIVES WHAT WE NEED TO ACHIEVE | STRATEGIES HOW WE'RE GOING TO DO IT | MEASURES OF SUCCESS HOW WE WILL BE JUDGED |
|--|--|--|
| <p>3.1 Facilitate sustainable growth with housing options to meet future community needs</p> | <p>3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites</p> | <ul style="list-style-type: none"> Community perception of value of strategic development site outcomes Community perception of streetscapes |
| | <p>3.1.2 Plan for a mix of inclusive diversified housing options</p> | |
| | <p>3.1.3 Plan for improved streetscapes</p> | |

2022-2023 Achievements

- Major planning developments underway including:
 - Royal George Hotel – amended application being considered by State Development Assessment Unit.
 - Former Woodside Hospital Site - application being considered by State Development Assessment Unit.
 - The Entrance – application approved by the Western Australian Planning Commission.



| OBJECTIVES WHAT WE NEED TO ACHIEVE | STRATEGIES HOW WE'RE GOING TO DO IT | MEASURES OF SUCCESS HOW WE WILL BE JUDGED |
|---|---|---|
| <p>3.2 Maintaining and enhancing the Town's character</p> | <p>3.2.1 Ensure appropriate planning policies to protect the Town's existing built form</p> | <ul style="list-style-type: none"> Community perception of value of the Town's preservation of character |

2022-2023 Achievements

- Progression of Coastal Hazard Risk Management and Adaptation Plan (CHRMAP).
- Adoption of Payment in Lieu of Parking Policy.
- Updated Town Centre Redevelopment Guidelines Policy.

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

2022-2023 Achievements

- Annual review of all Asset Management Plans
- Road upgrade works on Marmion Street, between East Street and Stirling Highway
- Footpath upgrades from old slab footpaths to concrete in two separate sections on the south side of Canning Highway
- Minor footpath upgrades from old slab footpaths to red asphalt in Petra Street between View Terrace and Preston Point Road and George Street between East Street and Glyde Street



Strategic Priority 4: Natural Environment

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

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

2022-2023 Achievements

- The Town planted 178 trees across parks, reserves and on verges.
- At the 2022 George Street Festival, the Town continued to implement the Sustainable Events Policy .
- Rooftop solar was installed at East Fremantle Kindy.
- The Town appointed Consultant, Ironbark, to work on the Climate Emergency Action Plan (CEAP) and various workshops were held in October 2022 and November 2022.
- The content of the Climate Emergency Action Plan (CEAP) was endorsed in May 2023.
- The Town hosted Water Sensitive Cities Workshop.
- The Town was accredited as a Gold Water Council, recognising it as a leader in water efficiency, acknowledging demonstrated achievement in best practice water management.
- Progression of Coastal Hazard Risk Management and Adaptation Plan (CHRMAP).

Strategic Priority 5: Leadership and Governance

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

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

2022-2023 Achievements

- The Town continued its strong record of financial management and legislative compliance receiving an unqualified audit report for the year ended 30 June 2023.
- Council adopted an Integrity Framework in accordance with the Public Sector Commission guidelines.
- The Town was subject to a General Computer Control focus audit performed by the Office of the Auditor General and there has been an improvement in the maturity of the Town's systems and controls.
- The Town completed its biannual community survey in early 2023 and the following performance index scores were achieved:
 - Governance 61 – 8 index points above industry average and up 1 point from 2021.
 - Rates Value 64 – 11 index points above industry average and up 3 points from 2021.

Customer Services

- Ongoing improvements to customer service systems and processes.
- Online services and payments including e-rates, pet registration renewals and development application tracking.
- Continual promotion of Snap Send Solve, a user-friendly app for residents and property and business owners to report external maintenance requests in the Town.
- Updating Fact Sheet as required, available as hard copy and on the Town's website.

Advocacy and Leadership

- Continued collaboration with the Perth South West Metropolitan Alliance, the Resource Recovery Group on waste management, business systems, environmental and river management and key transport issues including the Swan River Crossings project, plus Smart Cities technology.

Communication

- Ongoing implementation of Communication and Engagement Strategy with increased growth of digital database (EDM subscribers), increased growth of social media followers across LinkedIn, Facebook and Instagram and increased number of visitors to the Town's website.
- Implementation of design changes to Town's website including the addition of new, easy to find quick link ions linking to some of the4 Town's most frequently used pages, user-friendly links to the Town's Facebook and Instagram and a link to subscribe to TownTalk added to the website header, a re-freshed homepage features section and the inclusion of colourful images for Latest News on the homepage.
- Ongoing application of new design for the Town's corporate publications.
- Ongoing implementation of new style and format for social media messaging.
- Continuation of the Look Local campaign across the website, newsletters, reception screens and social media platforms to continue communicating the importance of looking local in East Freo.

Organisations' Culture

- Town staff attended an R U OK? morning tea and enjoyed a presentation from the Happiness Co.
- Staff supported and participated in Movember fundraising activities.
- As part of the WA Tree Festival, two community sessions of Yoga Under the Trees were held and staff were encouraged to attend.
- Staff attended a National Reconciliation Week breakfast and presentation.



Statutory Reporting

Corporate Business Plan

(Regulation 19B (2) (k))

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

The CBP is reviewed annually in June and adopted as part of the Budget process. The Town also undertakes a community survey every two years, and the Corporate Business Plan is updated to reflect community priorities.

The 2022-2026 Corporate Business Plan captures the following priorities from the 2021 community survey:

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

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

| Priority | Action |
|--|--|
| <ul style="list-style-type: none"> Streetscapes, trees and verges | <ul style="list-style-type: none"> 4.1.3.1 Continue with annual street planting program. 3.1.3.1 Implement a Verge Policy and Urban Streetscape Guidelines. 4.1.2.1 Prepare and implement an Urban Streetscape and Public Realm Style Guide. |
| <ul style="list-style-type: none"> Safety and crime prevention | <ul style="list-style-type: none"> 1.3.1.2 Partner with neighbouring local governments and state agencies to promote community health and safety. |
| <ul style="list-style-type: none"> Sustainable practices and climate change | <ul style="list-style-type: none"> 4.1.1.1 Ongoing implementation of the Foreshore Management Plan subject to funding. 4.1.1.2 Continue to partner with stakeholders to actively protect, conserve and maintain the Swan River foreshore. 4.2.1.1 Implement Food Organics and Green Organics (FOGO) waste collection and disposal services. 4.2.1.2 Partner with the City of Fremantle to provide free community access to the Fremantle Recycling Centre. 4.2.1.3 Ongoing implementation of the Regional Waste Strategy. 4.3.1.1 Investigate further climate change and mitigation initiatives. 4.3.1.3 Implement actions under the Climate Emergency Strategy |
| <ul style="list-style-type: none"> Footpaths and cycleways | <ul style="list-style-type: none"> 3.3.1.1 Maintain and implement current Asset Management Plans. 3.3.1.4 Develop and implement proactive asset maintenance schedules. 1.2.1.3 Provide community facilities and infrastructure in line with asset management planning. |
| <ul style="list-style-type: none"> Playgrounds, parks and reserves | <ul style="list-style-type: none"> 3.3.1.1 Maintain and implement current Asset Management Plans. 3.3.1.4 Develop and implement proactive asset maintenance schedules. 1.2.1.3 Provide community facilities and infrastructure in line with asset management planning. |
| <ul style="list-style-type: none"> Youth services and facilities | <ul style="list-style-type: none"> 1.1.2.1 Prepare and implement the Community Development Strategy. 1.3.2.2 Encourage youth and general community engagement and participation. 1.2.1.3 Provide community facilities and infrastructure in line with asset management planning. |
| <ul style="list-style-type: none"> Sport and recreation facilities and services | <ul style="list-style-type: none"> 1.2.1.1 Implement the Preston Point Road North Recreation Facility Master Plan subject to funding. 1.2.1.2 Implement actions from the Recreation and Community Facilities Strategy subject to funding. 1.2.2.1 Undertake the redevelopment of the East Fremantle Oval Precinct subject to budget parameters. |
| <ul style="list-style-type: none"> Managing responsible growth and development | <ul style="list-style-type: none"> 3.1.1.1 Actively represent the local community in relation to any major planning development projects. 3.1.2.1 Review and adopt the Local Planning Strategy. 3.2.1.1 Finalise, advertise and implement major review of the Town Planning Scheme. 3.2.1.2 Review Local Planning Policies – Residential Design Guidelines. 3.2.1.4 Develop and implement Heritage Precincts. |
| <ul style="list-style-type: none"> Traffic management | <ul style="list-style-type: none"> 2.2.1.2 Undertake regular and frequent parking patrols to ensure parking availability and turnover in the Town centres and George Street. 3.3.2.3 Prepare and implement the Integrated Traffic Management and Movement Strategy. |

Record Keeping Plan (RKP) - The Town has an ongoing commitment to recordkeeping in accordance with the *State Records Act 2000* and Records Management Standard AS ISO 15489 which is supported through the use of a corporate electronic document management system (EDRMS). The Town's Recordkeeping Plan (RKP) details the process for management and disposal of records which are entered into the electronic records system.

The Town is currently reviewing its RKP as the existing document is reaching five (5) years. The activities involved with the review include:

- Undertaking a maturity audit of the Town's record keeping practices.
- Amend the RKP as required using the State Records Office Local Government RKP template.
- Consult with staff on the development of an action plan, resources and timeline for all identified areas of improvement.

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

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

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

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

In accordance with the requirements of the National Competition Policy, the Town of East Fremantle makes the following disclosures for 2022-2023:

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

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

The number of activities to which competitive neutrality principles have been applied in the reporting period is Zero (0). The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is zero (0).

During the reporting period the Town did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Town. In the year under review the Town undertook no activities that met the financial benchmark.

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

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

Freedom of Information - The *Freedom of Information Act 1992* allows the public the right to apply for access to information held by the Town of East Fremantle. The Act requires the adoption of a Freedom of Information Statement, to be reviewed annually. A copy of the current statement is available on the Town's website. During the year under review the Town received nine (9) applications for information under the Act.

Disability Access and Inclusion Plan 2020-2025 - The Town is committed to facilitating the inclusion of people with disabilities through the improvement of access to its services and facilities. Council considered and endorsed the Disability Access and Inclusion Plan (DAIP) 2020-2025 on 18 April 2020. The review assessed how well the strategies are overcoming barriers and achieving the outcomes of the DAIP. The Town's Environmental Health Officers report on it annually to the State Government.

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

Public Disclosures

Town of East Fremantle is committed to the aims and objectives of the Public Interest Disclosure Act 2003 (PID Act). The Act aims to ensure openness and accountability in government by encouraging people to make disclosures and protecting them when they do. It facilitates the disclosure of public interest information and provides protection for those making such disclosures, as well as those who are the subject of disclosures. The Act also provides a process for the matters disclosed to be investigated and for appropriate action to be taken. The Town did not receive any public interest disclosure reports during the reporting year.

Standards Panel costs

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

Employee Remuneration - In accordance with Regulation 19B of the *Local Government (Administration) Regulations 1996* the Town is required to disclose the number of employees with an annual cash salary of more than \$130,000.

The number of employees with an annual salary entitlement that falls within each band is as follows:

| | |
|-----------------------|---|
| \$130,000 - \$139,999 | 0 |
| \$140,000 - \$149,999 | 2 |
| \$180,000 - \$189,999 | 1 |

The total reward package, as defined in the *Salaries and Allowances Act 1975* section 4 (1), provided to the CEO during 2022-2023, was \$237,037.

Local Laws - The Town currently has ten (10) Local Laws:

- Keeping of Poultry By-law 1985.
- Parking Local Law 2016.
- Cats Local Law 2016.
- Dogs Local Law 2016.
- Meeting Procedures Local Law 2016.
- Penalty Units Local Law 2016.
- Public Places & Local Government Property Local Law 2016.
- Fencing Local Law 2016.
- Waste Local Law 2017.
- Waste Amendment Local Law 2017.

Pursuant to section 3.16 of the *Local Government Act 1995*, local laws are to be reviewed within a period of 8 years from the day when a local law commenced. The majority of the Town's local laws need to be reviewed in 2024.

Capital Grants Subsidies and Contributions

| TOWN OF EAST FREMANTLE - SUPPLEMENTARY INFORMATION FOR THE PERIOD ENDED 30 JUNE 2023 | | | | | | | |
|--|------------------------------|---|---------------|-------------------|------------------|----------------|--|
| CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS | | | | | | | |
| Program | Grant Provider | Purpose of Grant | Asset Purpose | 2023 Actual | 2022 Actual | 2021 Actual | |
| | | | | \$ | \$ | \$ | |
| East Fremantle Oval Redevelopment | State Government | Election Commitment - EF Oval Redevelopment | Replace | 9,380,260 | 928,771 | 0 | |
| East Fremantle Oval Redevelopment | Lotterywest | Towards a multi-use community space and nature playground | Replace | 39,913 | 0 | 0 | |
| East Fremantle Bowling Club | State Government | EF Oval Redevelopment | Replace | 18,182 | 0 | 0 | |
| Fremantle City Women's Football Club | State Government | Election Commitment | Replace | 0 | 0 | 0 | |
| Fremantle City Women's Football Club | Soccer Club Contribution | | Replace | 13,353 | 0 | 0 | |
| State Government Election Commitment | DLGSC | Nature Play - Gourley Park | New | 52,000 | 0 | 0 | |
| Federal Government Stimulus Payment | Department of Infrastructure | Local Roads and Community Infrastructure Program | Replace | 286,896 | 227,778 | 0 | |
| Regional Road Group | Main Roads | Marmion Street Upgrade | Replace | 229,235 | 0 | 0 | |
| Regional Road Group | Main Roads | Road renewal | Renew | 0 | 0 | 180,505 | |
| | | | | 10,019,839 | 1,156,549 | 180,505 | |

Major Land and Trade Undertakings

TOWN OF EAST FREMANTLE FOR THE YEAR ENDED 30 JUNE 2023 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

| | | | |
|---|-----------|------------|---------|
| State Government Grant | 9,380,260 | 13,000,000 | 928,771 |
| AFL Facilities Funding | 0 | 0 | 0 |
| LotteryWest | 39,913 | 672,530 | 0 |
| East Fremantle Bowling club contribution | 18,182 | 0 | 0 |
| Town of East Fremantle - Transfer from Reserves | 2,647,161 | 2,976,442 | 0 |
| Borrowings | 0 | 0 | 0 |

Expenditure

| | | | |
|---------------------------------|--------------|--------------|-----------|
| Professional Services/Cost Plan | (12,085,516) | (13,000,000) | (928,771) |
| | (0) | 3,648,972 | 0 |

The cost plan details a total project budget of \$34.06m including contingencies, funded as below:

| | |
|---|------------|
| State Government Grant | 25,000,000 |
| AFL Facilities Funding | 250,000 |
| LotteryWest | 1,345,060 |
| East Fremantle Bowling club contribution | 18,182 |
| Town of East Fremantle - Transfer from Reserves | 2,200,000 |
| Town of East Fremantle - Part | 449,147 |
| Proceeds from Sale of 128 George Street | |
| Town of East Fremantle - Loan | 4,800,000 |
| Borrowings | |
| | 34,062,389 |

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 |

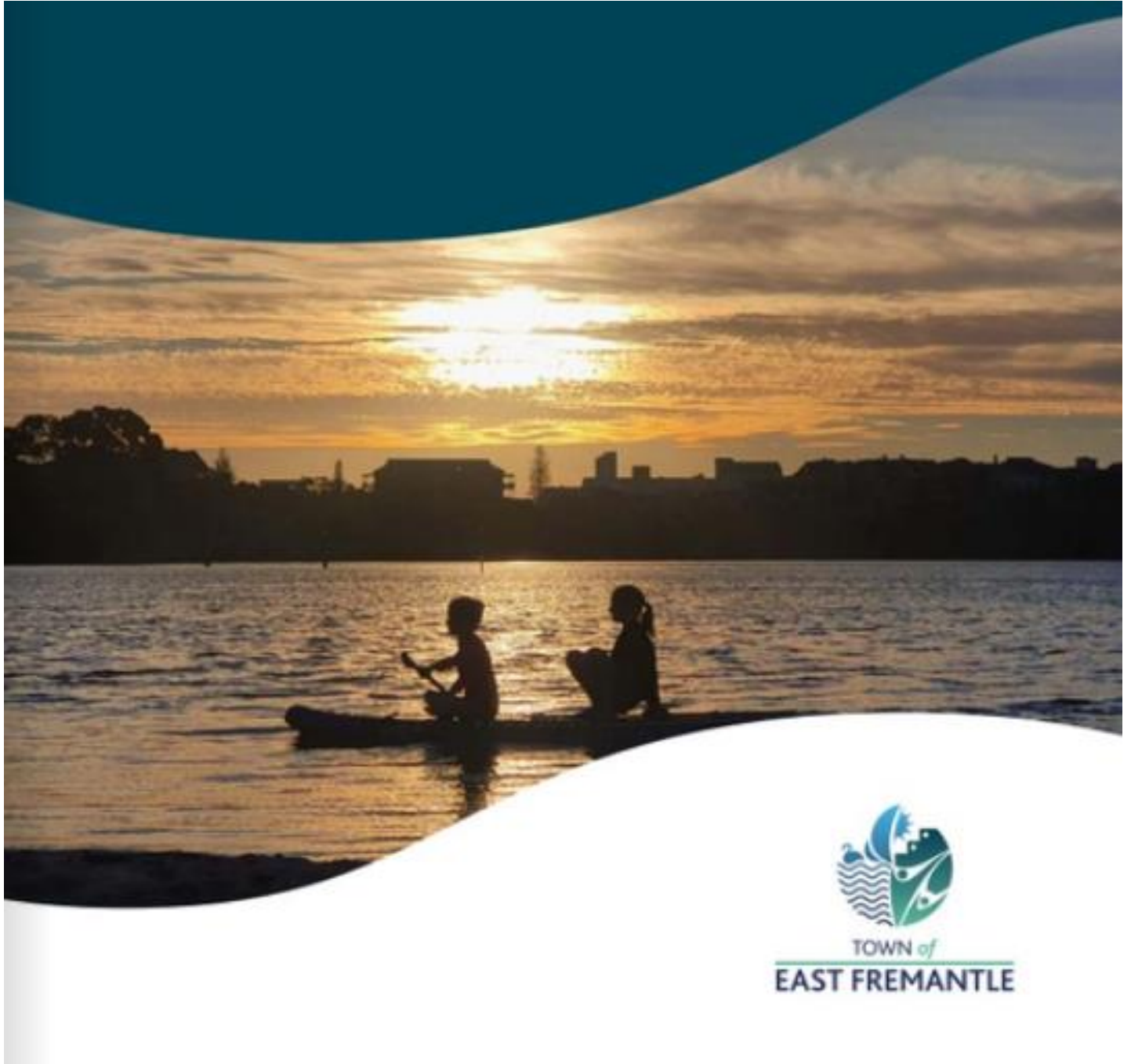
TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

Annual Financial Report

2022-2023

The Town received an unqualified audit report for the year ended 30 June 2023.



TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

An inclusive community balancing growth, lifestyle and sustainability.

Principal place of business:
135 Canning Highway
East Fremantle WA

**TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

The accompanying financial report of the Town of East Fremantle has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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

Signed on the 8th day of December 2023



Chief Executive Officer

Jonathan Throssell
Name of Chief Executive Officer

**TOWN OF EAST FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

| | NOTE | 2023 Actual | 2023 Budget | 2022 Actual |
|---|---------|-------------------|-------------------|------------------|
| | | \$ | \$ | \$ |
| Revenue | | | | |
| Rates | 2(a),25 | 8,677,877 | 8,660,135 | 8,302,387 |
| Grants, subsidies and contributions | 2(a) | 1,283,167 | 907,014 | 1,082,054 |
| Fees and charges | 2(a) | 1,523,133 | 1,442,358 | 1,382,038 |
| Interest revenue | 2(a) | 608,758 | 98,000 | 72,311 |
| Other revenue | 2(a) | 53,697 | 27,170 | 215,971 |
| | | 12,146,632 | 11,134,677 | 11,054,761 |
| Expenses | | | | |
| Employee costs | 2(b) | (4,804,595) | (4,736,197) | (4,436,672) |
| Materials and contracts | | (4,096,164) | (4,028,396) | (3,510,439) |
| Utility charges | | (236,291) | (259,034) | (255,191) |
| Depreciation | | (1,817,749) | (2,103,440) | (2,071,668) |
| Finance costs | 2(b) | (9,425) | (16,250) | (14,220) |
| Insurance | | (220,712) | (228,901) | (197,780) |
| Other expenditure | 2(b) | (798,659) | (775,797) | (798,313) |
| | | (11,983,595) | (12,148,015) | (11,284,283) |
| | | 163,037 | (1,013,338) | (229,522) |
| Capital grants, subsidies and contributions | 2(a) | 10,019,839 | 14,099,113 | 1,156,549 |
| Gain on disposal of assets held for sale | | 407,382 | 0 | 0 |
| Profit on asset disposals | | 41,577 | 487,693 | 32,651 |
| Loss on asset disposals | | (4,797,942) | 0 | (4,738) |
| Fair value adjustments to financial assets at fair value through profit or loss | 4 | 3,686 | 0 | 3,997 |
| Share of net profit of associates accounted for using the equity method | 22(c) | (779,549) | 0 | (47,410) |
| | | 4,894,993 | 14,586,806 | 1,141,049 |
| Net result for the period | | 5,058,030 | 13,573,468 | 911,527 |
| Other comprehensive income for the period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 16 | 9,483,113 | 0 | 1,285,323 |
| Total other comprehensive income for the period | 16 | 9,483,113 | 0 | 1,285,323 |
| Total comprehensive income for the period | | 14,541,143 | 13,573,468 | 2,196,850 |

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



**TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

| | NOTE | 2023 Actual \$ | 2022 Actual \$ |
|--------------------------------------|-------------|-------------------------------|-------------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 14,631,561 | 7,067,665 |
| Trade and other receivables | 5 | 741,694 | 252,401 |
| Other assets | 6 | 167,731 | 52,099 |
| Assets classified as held for sale | 6 | 0 | 1,442,619 |
| TOTAL CURRENT ASSETS | | 15,540,986 | 8,814,784 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 96,650 | 95,847 |
| Other financial assets | 4 | 81,490 | 77,804 |
| Investment in associate | 22(a) | 871,324 | 1,382,443 |
| Property, plant and equipment | 7 | 41,422,143 | 31,855,046 |
| Infrastructure | 8 | 45,730,099 | 38,970,743 |
| Right-of-use assets | 10(a) | 208,607 | 238,311 |
| TOTAL NON-CURRENT ASSETS | | 88,410,313 | 72,620,194 |
| TOTAL ASSETS | | 103,951,299 | 81,434,978 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 4,750,979 | 1,854,813 |
| Other liabilities | 12 | 6,642,115 | 1,801,616 |
| Lease liabilities | 10(b) | 44,114 | 38,617 |
| Borrowings | 13 | 5,068 | 98,204 |
| Employee related provisions | 14 | 757,227 | 718,704 |
| Other provisions | 15 | 268,434 | 0 |
| TOTAL CURRENT LIABILITIES | | 12,467,937 | 4,511,954 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 10(b) | 198,300 | 216,187 |
| Borrowings | 13 | 94,112 | 99,537 |
| Employee related provisions | 14 | 125,624 | 83,117 |
| TOTAL NON-CURRENT LIABILITIES | | 418,036 | 398,841 |
| TOTAL LIABILITIES | | 12,885,973 | 4,910,795 |
| NET ASSETS | | 91,065,326 | 76,524,183 |
| EQUITY | | | |
| Retained surplus | | 38,114,935 | 33,211,629 |
| Reserve accounts | 28 | 2,638,933 | 2,484,209 |
| Revaluation surplus | 16 | 50,311,458 | 40,828,345 |
| TOTAL EQUITY | | 91,065,326 | 76,524,183 |

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 2023**

| | NOTE | RETAINED SURPLUS Actual \$ | RESERVE ACCOUNTS Actual \$ | REVALUATION SURPLUS Actual \$ | TOTAL EQUITY Actual \$ |
|---|------|-------------------------------------|-------------------------------------|--|---------------------------------|
| Balance as at 1 July 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 | 16 | 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 reserve accounts | 28 | 43,720 | (43,720) | 0 | 0 |
| Transfers to reserve accounts | 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 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 5,058,030 | 0 | 0 | 5,058,030 |
| Other comprehensive income for the period | 16 | 0 | 0 | 9,483,113 | 9,483,113 |
| Total comprehensive income for the period | | 5,058,030 | 0 | 9,483,113 | 14,541,143 |
| Transfers from reserve accounts | 28 | 3,059,287 | (3,059,287) | 0 | 0 |
| Transfers to reserve accounts | 28 | (3,214,011) | 3,214,011 | 0 | 0 |
| Balance as at 30 June 2023 | | 38,114,935 | 2,638,933 | 50,311,458 | 91,065,326 |

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 2023**

| | NOTE | 2023 Actual \$ | 2022 Actual \$ |
|--|-------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Rates | | 8,645,505 | 8,360,130 |
| Grants, subsidies and contributions | | 1,085,873 | 1,085,066 |
| Fees and charges | | 3,289,098 | 1,729,304 |
| Interest revenue | | 608,758 | 72,311 |
| Goods and services tax received | | 1,428,050 | 504,668 |
| Other revenue | | 53,697 | 237,520 |
| | | 15,110,981 | 11,988,999 |
| Payments | | | |
| Employee costs | | (4,702,224) | (4,402,142) |
| Materials and contracts | | (3,187,505) | (3,391,069) |
| Utility charges | | (236,291) | (255,191) |
| Finance costs | | (9,425) | (14,220) |
| Insurance paid | | (220,712) | (197,780) |
| Goods and services tax paid | | (1,671,020) | (342,582) |
| Other expenditure | | (784,962) | (770,984) |
| | | (10,812,139) | (9,373,968) |
| Net cash provided by (used in) operating activities | | 4,298,842 | 2,615,031 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for purchase of property, plant & equipment | 7(a) | (12,353,340) | (1,154,983) |
| Payments for construction of infrastructure | 8(a) | (1,070,224) | (657,402) |
| Capital grants, subsidies and contributions | | 14,927,453 | 2,627,000 |
| Proceeds from assets held for sale | | 1,850,000 | 0 |
| Proceeds from sale of property, plant & equipment | | 49,040 | 66,788 |
| Net cash provided by (used in) investing activities | | 3,402,929 | 881,403 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | 27(a) | (97,259) | (103,104) |
| Payments for principal portion of lease liabilities | 27(b) | (40,616) | (37,551) |
| Net cash provided by (used in) financing activities | | (137,875) | (140,655) |
| Net increase (decrease) in cash held | | 7,563,896 | 3,355,779 |
| Cash at beginning of year | | 7,067,665 | 3,711,886 |
| Cash and cash equivalents at the end of the year | 3 | 14,631,561 | 7,067,665 |

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



**TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

| | NOTE | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | | |
| Revenue from operating activities | | | | |
| General rates | 25 | 8,677,877 | 8,660,135 | 8,302,387 |
| Grants, subsidies and contributions | | 1,283,167 | 907,014 | 1,082,054 |
| Fees and charges | | 1,523,133 | 1,442,358 | 1,382,038 |
| Interest revenue | | 608,758 | 98,000 | 72,311 |
| Other revenue | | 53,697 | 27,170 | 215,971 |
| Profit on asset disposals | | 41,577 | 487,693 | 32,651 |
| Fair value adjustments to financial assets at fair value through profit or loss | 4 | 3,686 | 0 | 3,997 |
| Share of net profit of associates accounted for using the equity method | 22(c) | (779,549) | 0 | (47,410) |
| | | <u>11,412,346</u> | <u>11,622,370</u> | <u>11,043,999</u> |
| Expenditure from operating activities | | | | |
| Employee costs | | (4,804,595) | (4,736,197) | (4,436,672) |
| Materials and contracts | | (4,096,164) | (4,028,396) | (3,510,439) |
| Utility charges | | (236,291) | (259,034) | (255,191) |
| Depreciation | | (1,817,749) | (2,103,440) | (2,071,668) |
| Finance costs | | (9,425) | (16,250) | (14,220) |
| Insurance | | (220,712) | (228,901) | (197,780) |
| Other expenditure | | (798,659) | (775,797) | (798,313) |
| Loss on asset disposals | | (4,797,942) | 0 | (4,738) |
| | | <u>(16,781,537)</u> | <u>(12,148,015)</u> | <u>(11,289,021)</u> |
| Non-cash amounts excluded from operating activities | 26(a) | 7,405,386 | 1,601,825 | 2,092,869 |
| Amount attributable to operating activities | | <u>2,036,195</u> | <u>1,076,180</u> | <u>1,847,847</u> |
| INVESTING ACTIVITIES | | | | |
| Inflows from investing activities | | | | |
| Capital grants, subsidies and contributions | | 10,019,839 | 14,099,113 | 1,156,549 |
| Proceeds from disposal of assets | | 49,040 | 167,568 | 66,788 |
| Proceeds from assets held for sale | | 1,850,000 | 1,500,000 | 0 |
| | | <u>11,918,879</u> | <u>15,766,681</u> | <u>1,223,337</u> |
| Outflows from investing activities | | | | |
| Payments for investments in associates | 22(b) | (268,434) | 0 | 0 |
| Purchase of property, plant and equipment | 7(a) | (12,353,340) | (14,220,450) | (1,154,983) |
| Purchase and construction of infrastructure | 8(a) | (1,070,224) | (1,143,127) | (657,402) |
| | | <u>(13,691,998)</u> | <u>(15,363,577)</u> | <u>(1,812,385)</u> |
| Non-cash amounts excluded from investing activities | 26(b) | 268,434 | 0 | 0 |
| Amount attributable to investing activities | | <u>(1,504,685)</u> | <u>403,104</u> | <u>(589,048)</u> |
| FINANCING ACTIVITIES | | | | |
| Inflows from financing activities | | | | |
| Proceeds from borrowings | 27(a) | 0 | 0 | 0 |
| Transfers from reserve accounts | 28 | 3,059,287 | 494,250 | 43,720 |
| | | <u>3,059,287</u> | <u>494,250</u> | <u>43,720</u> |
| Outflows from financing activities | | | | |
| Repayment of borrowings | 27(a) | (97,259) | (102,000) | (103,104) |
| Payments for principal portion of lease liabilities | 27(b) | (40,616) | (45,000) | (37,551) |
| Transfers to reserve accounts | 28 | (3,214,011) | (2,344,226) | (1,542,136) |
| | | <u>(3,351,886)</u> | <u>(2,491,226)</u> | <u>(1,682,791)</u> |
| Amount attributable to financing activities | | <u>(292,599)</u> | <u>(1,996,976)</u> | <u>(1,639,071)</u> |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | |
| Surplus or deficit at the start of the financial year | 26(c) | 512,821 | 517,692 | 893,093 |
| Amount attributable to operating activities | | 2,036,195 | 1,076,180 | 1,847,847 |
| Amount attributable to investing activities | | (1,504,685) | 403,104 | (589,048) |
| Amount attributable to financing activities | | (292,599) | (1,996,976) | (1,639,071) |
| Surplus or deficit after imposition of general rates | 26(c) | <u>751,732</u> | <u>0</u> | <u>512,821</u> |

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



**TOWN OF EAST FREMANTLE
FOR THE YEAR ENDED 30 JUNE 2023
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**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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 except for disclosure requirements of:

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost.

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

Initial application of accounting standards

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023**

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

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

For the year ended 30 June 2023

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

For the year ended 30 June 2022

| Nature | Contracts with | Capital | Statutory | Other | Total |
|---|------------------|---------------------|------------------|---------------|-------------------|
| | customers | grant/contributions | Requirements | Actual | Actual |
| | Actual | Actual | Actual | Actual | Actual |
| | \$ | \$ | \$ | \$ | \$ |
| Rates | 0 | 0 | 8,302,387 | 0 | 8,302,387 |
| 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 revenue | 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 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

| Note | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Interest revenue | | |
| Interest on reserve account funds | 491,101 | 7,323 |
| Trade and other receivables overdue interest | 53,299 | 52,143 |
| Other interest revenue | 64,358 | 12,845 |
| | 608,758 | 72,311 |

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$22,000.

Fees and charges relating to rates receivable

| | | |
|----------------------------|--------|--------|
| Charges on instalment plan | 36,020 | 34,621 |
|----------------------------|--------|--------|

The 2023 original budget estimate in relation to:
Charges on instalment plan was \$36,000.

(b) Expenses

Auditors remuneration

| | | |
|--|---------------|---------------|
| - Audit of the Annual Financial Report | 53,750 | 49,960 |
| - Other services – grant acquittals | 5,900 | 0 |
| | 59,650 | 49,960 |

Employee Costs

| | | |
|------------------------|------------------|------------------|
| Employee benefit costs | 4,804,595 | 4,436,672 |
| | 4,804,595 | 4,436,672 |

Finance costs

| | | |
|---|--------------|---------------|
| Interest and financial charges paid/payable for lease | 2,621 | 7,146 |
| Lease liabilities | 6,804 | 7,074 |
| | 9,425 | 14,220 |

Other expenditure

| | | |
|-----------------|----------------|----------------|
| Sundry expenses | 798,659 | 798,313 |
| | 798,659 | 798,313 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. CASH AND CASH EQUIVALENTS

| Note | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Cash at bank and on hand | 10,185,860 | 3,885,073 |
| Term deposits | 4,445,701 | 3,182,592 |
| Total cash and cash equivalents | 14,631,561 | 7,067,665 |
| Held as | | |
| - Unrestricted cash and cash equivalents | 5,354,584 | 2,781,840 |
| - Restricted cash and cash equivalents | 9,276,977 | 4,285,825 |
| 17 | 14,631,561 | 7,067,665 |

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 reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

| | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Non-current assets | | |
| Financial assets at fair value through profit or loss | 81,490 | 77,804 |
| | 81,490 | 77,804 |
| Financial assets at fair value through profit or loss | | |
| Units in Local Government House Trust - opening balance | 77,804 | 73,807 |
| Movement attributable to fair value increment | 3,686 | 3,997 |
| Units in Local Government House Trust - closing balance | 81,490 | 77,804 |

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

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

Financial assets at fair value through profit or loss

The Town has elected to classify the following financial assets at fair value through profit or loss:

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

| Note | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Current | | |
| Rates and statutory receivables | 68,034 | 76,390 |
| Trade receivables | 67,456 | 55,012 |
| Other receivables | 129,147 | 0 |
| GST receivable | 512,041 | 131,356 |
| Allowance for credit losses of rates and statutory receivables | (43,638) | (19,011) |
| Loan receivables - East Fremantle Lawn Tennis Club (EFLTC) | 3,000 | 3,000 |
| Other receivables - East Fremantle Junior Cricket Club & East Fremantle Junior Football Club (EFJCC & EFJFC) | 5,654 | 5,654 |
| | 741,694 | 252,401 |
| Non-current | | |
| Rates and statutory receivables | 76,382 | 66,925 |
| Loan receivables - East Fremantle Lawn Tennis Club (EFLTC) | 12,000 | 15,000 |
| Other receivables - East Fremantle Junior Cricket Club & East Fremantle Junior Football Club (EFJCC & EFJFC) | 8,268 | 13,922 |
| | 96,650 | 95,847 |

Disclosure of opening and closing balances related to contracts with customers

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

| Note | 30 June 2023 Actual \$ | 30 June 2022 Actual \$ | 1 July 2021 Actual \$ |
|---|---------------------------------|---------------------------------|--------------------------------|
| Contract assets | 6,829 | 0 | 0 |
| Total trade and other receivables from contracts with customers | 6,829 | 0 | 0 |

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

| 2023 Actual | 2022 Actual |
|----------------|------------------|
| \$ | \$ |
| 55,155 | 45,768 |
| 105,747 | 6,331 |
| 6,829 | 0 |
| 167,731 | 52,099 |
| | |
| 0 | 1,442,619 |
| 0 | 1,442,619 |

Non-current assets held for sale

Land and Buildings - 128 George St

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.

Contract assets

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

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

Non-current assets held for sale

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

| | Land Actual | Buildings - non- specialised level 2 Actual | Buildings - non- specialised level 3 Actual | Buildings - specialised level 3 Actual | Total land and buildings not subject to operating lease Actual | Total land and buildings Actual | Furniture and equipment Actual | Plant and equipment Actual | Buildings - work in progress Actual | Total property, plant and equipment Actual |
|--|------------------|---|---|---|---|--|---|----------------------------------|--|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 4,330,900 | 54,113 | 556,598 | 26,239,286 | 31,180,897 | 31,180,897 | 287,303 | 864,925 | 14,000 | 32,347,125 |
| Additions | 0 | 0 | 0 | 20,607 | 20,607 | 20,607 | 13,324 | 129,876 | 991,176 | 1,154,983 |
| Disposals | 0 | 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 | 1,285,323 | 0 | 0 | 0 | 1,285,323 |
| Assets classified as held for sale | (1,400,000) | (69,949) | 0 | 0 | (1,469,949) | (1,469,949) | 0 | 0 | 0 | (1,469,949) |
| Depreciation | 0 | (1,387) | (47,403) | (1,085,272) | (1,134,062) | (1,134,062) | (73,917) | (215,582) | 0 | (1,423,561) |
| Balance at 30 June 2022 | 4,199,000 | 0 | 509,195 | 25,174,621 | 29,882,816 | 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 | 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) | (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 | 29,882,816 | 226,710 | 740,344 | 1,005,176 | 31,855,046 |
| Additions | 0 | 0 | 9,291 | 58,733 | 68,024 | 68,024 | 24,413 | 70,980 | 12,189,923 | 12,353,340 |
| Disposals | 0 | 0 | 0 | (4,793,736) | (4,793,736) | (4,793,736) | (4,206) | (7,463) | 0 | (4,805,405) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 125,000 | 0 | 220,426 | 2,816,351 | 3,161,777 | 3,161,777 | 0 | 0 | 0 | 3,161,777 |
| Depreciation | 0 | 0 | (47,472) | (884,869) | (932,341) | (932,341) | (80,607) | (129,667) | 0 | (1,142,615) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58,410 | (58,410) | 0 |
| Balance at 30 June 2023 | 4,324,000 | 0 | 691,440 | 22,371,100 | 27,386,540 | 27,386,540 | 166,310 | 732,604 | 13,136,689 | 41,422,143 |
| Comprises: | | | | | | | | | | |
| Gross balance amount at 30 June 2023 | 4,324,000 | 0 | 2,243,000 | 40,797,900 | 47,364,900 | 47,364,900 | 359,020 | 1,460,139 | 13,136,689 | 62,320,748 |
| Accumulated depreciation at 30 June 2023 | 0 | 0 | (1,551,560) | (18,426,800) | (19,978,360) | (19,978,360) | (192,710) | (727,535) | 0 | (20,898,605) |
| Balance at 30 June 2023 | 4,324,000 | 0 | 691,440 | 22,371,100 | 27,386,540 | 27,386,540 | 166,310 | 732,604 | 13,136,689 | 41,422,143 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023 | An analysed price per square metre rate for a property derived from comparable market transactions. |
| Land | Level 3 | Adjusted market approach using recent observable market data for similar urban fringe properties that are not cleared or developed/income approach using discount cash flow methodology. | Independent registered valuers | June 2023 | A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions. |
| Buildings - non-specialised level 2 | Level 2 | Market approach using recent observable market data for similar properties/income approach using discount cash flow methodology. | Independent registered valuers | June 2023 | An analysed price per square metre rate for a property derived from comparable market transactions. |
| Buildings - non-specialised level 3 | Level 3 | Adjusted market approach using recent observable market data for similar urban fringe properties that are not cleared or developed/income approach using discount cash flow methodology. | Independent registered valuers | June 2023 | A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions. |
| Buildings - specialised level 3 | Level 3 | Adjusted market approach using recent observable market data for similar urban fringe properties that are not cleared or developed/income approach using discount cash flow methodology. | Independent registered valuers | June 2023 | A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions. |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements (continued)

(i) Fair Value (continued)

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

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

(ii) Cost

| | | | |
|--------------------------------|------|------|---------------|
| Furniture and equipment | Cost | Cost | Purchase cost |
| Plant and equipment | Cost | Cost | Purchase cost |

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. INFRASTRUCTURE

(a) Movements in Balances

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

| | Infrastructure - Roads Actual | Infrastructure - Drainage Actual | Infrastructure - Parks and Ovals Actual | Infrastructure - Footpaths and Cycleways Actual | Infrastructure - Car Parks Actual | Infrastructure - Bus Shelters Actual | Other infrastructure - Work In Progress Actual | Total Infrastructure Actual |
|--|-------------------------------------|--|---|--|---|--|---|--------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 22,641,274 | 4,230,434 | 4,003,394 | 5,526,742 | 2,300,436 | 219,547 | 0 | 38,921,827 |
| Additions | | 223,808 | 204,475 | 184,619 | 29,500 | | 15,000 | 657,402 |
| Depreciation | (314,829) | (53,562) | (117,119) | (86,622) | (28,055) | (8,299) | | (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 |
| Additions | 354,230 | 56,707 | 305,347 | 294,899 | 0 | 0 | 59,041 | 1,070,224 |
| (Disposals) | 0 | 0 | 0 | 0 | 0 | 0 | (15,000) | (15,000) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 3,664,481 | 693,398 | 653,383 | 901,144 | 373,595 | 35,335 | 0 | 6,321,336 |
| Depreciation | (315,747) | (55,735) | (119,118) | (89,475) | (28,830) | (8,299) | 0 | (617,204) |
| Balance at 30 June 2023 | 26,029,409 | 5,095,050 | 4,930,362 | 6,731,307 | 2,646,646 | 238,284 | 59,041 | 45,730,099 |
| Comprises: | | | | | | | | |
| Gross balance at 30 June 2023 | 26,671,948 | 5,206,384 | 5,284,632 | 6,910,696 | 2,704,597 | 255,197 | 59,041 | 47,092,495 |
| Accumulated depreciation at 30 June 2023 | (642,539) | (111,334) | (354,270) | (179,389) | (57,951) | (16,913) | 0 | (1,362,396) |
| Balance at 30 June 2023 | 26,029,409 | 5,095,050 | 4,930,362 | 6,731,307 | 2,646,646 | 238,284 | 59,041 | 45,730,099 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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

At 30 June 2023, Town of East Fremantle performed a management desktop revaluation of its infrastructure assets. The last valuation by an independent professional valuer was completed as at 30 June 2021.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

| Asset Class | Useful life |
|---|------------------------------|
| Buildings | 20 to 65 years |
| Furniture and equipment | 3 to 19 years |
| Plant and equipment | 2 to 20 years |
| Plant and equipment - Motor Vehicles - Light Fleet | 2 to 10 years |
| Plant and equipment - Motor Vehicles - Heavy Fleet | 5 to 10 years |
| Sealed roads, streets and carparks formation (subgrade) | not depreciated |
| Sealed pavement (roads/carparks) | 85 to 100 years |
| Surface (roads/carparks) | 30 to 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 2023**

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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 Town's revaluation policy, 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 consistent with *Financial Management Regulation 17A(4)*.

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 consistent with *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 asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 9(a).

Impairment

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 or losses on disposal

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. LEASES

(a) Right-of-Use Assets

| | Right-of-use assets - Land - Property, Plant and Equipment | Right-of-use assets Total |
|---|---|--------------------------------------|
| Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year. | Note | Actual |
| | Actual | Actual |
| | \$ | \$ |
| Balance at 1 July 2021 | 276,841 | 276,841 |
| Adjustment | 1,091 | 1,091 |
| Depreciation | (39,621) | (39,621) |
| Balance at 30 June 2022 | 238,311 | 238,311 |
| Adjustment | 28,226 | 28,226 |
| Depreciation | (57,930) | (57,930) |
| Balance at 30 June 2023 | 208,607 | 208,607 |

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

| | 2023 Actual | 2022 Actual |
|---|------------------------|------------------------|
| | \$ | \$ |
| Depreciation on right-of-use assets | (57,930) | (39,621) |
| Finance charge on lease liabilities | (6,804) | (7,074) |
| Total amount recognised in the statement of comprehensive income | (64,734) | (46,695) |
| Total cash outflow from leases | (47,420) | (44,625) |
| (b) Lease Liabilities | | |
| Current | 44,114 | 38,617 |
| Non-current | 198,300 | 216,187 |
| | 242,414 | 254,804 |

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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. LEASES (Continued)

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(b).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

| | 2023 Actual | 2022 Actual |
|--|------------------------|------------------------|
| | \$ | \$ |
| | 264,028 | 299,708 |
| | 159,037 | 196,067 |
| | 159,037 | 181,187 |
| | 157,600 | 179,903 |
| | 152,818 | 178,521 |
| | 894,944 | 1,019,642 |
| | 1,787,464 | 2,055,028 |

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

Rental income

| | | |
|--|----------------|----------------|
| | 411,430 | 411,488 |
|--|----------------|----------------|

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

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

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

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 2023**

11. TRADE AND OTHER PAYABLES

Current

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

| 2023 Actual | 2022 Actual |
|------------------|------------------|
| \$ | \$ |
| 3,996,414 | 1,035,605 |
| 67,184 | 98,455 |
| 52,317 | 30,976 |
| 149,869 | 89,393 |
| 485,195 | 600,384 |
| 4,750,979 | 1,854,813 |

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 any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities
Income in advance

| 2023 Actual | 2022 Actual |
|------------------|------------------|
| \$ | \$ |
| 82,553 | 146,910 |
| 6,555,491 | 1,654,706 |
| 4,071 | 0 |
| 6,642,115 | 1,801,616 |

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

| | |
|---------------|----------------|
| 146,910 | 68,898 |
| 82,553 | 114,430 |
| (146,910) | (36,418) |
| 82,553 | 146,910 |

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$82,553 (2022: \$71,910)

The Town expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, 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

| | |
|------------------|------------------|
| 1,654,706 | 259,255 |
| 6,555,491 | 1,654,706 |
| (1,654,706) | (259,255) |
| 6,555,491 | 1,654,706 |

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

| | |
|------------------|------------------|
| 6,555,491 | 1,654,706 |
| 6,555,491 | 1,654,706 |

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 income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. BORROWINGS

| | Note | 2023 | | | 2022 | | |
|---------------------------------|-------|----------------|--------------------|---------------|----------------|--------------------|----------------|
| | | Current Actual | Non-current Actual | Total Actual | Current Actual | Non-current Actual | Total Actual |
| Secured | | \$ | \$ | \$ | \$ | \$ | \$ |
| Debentures | | 5,068 | 94,112 | 99,180 | 98,204 | 99,537 | 197,741 |
| Total secured borrowings | 27(a) | 5,068 | 94,112 | 99,180 | 98,204 | 99,537 | 197,741 |

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 2023 and 2022 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 24(i)) due to the unobservable inputs, including own credit risk.

Risk

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

| | | |
|---------------------------------|---------|---------|
| Annual leave | 430,041 | 409,658 |
| Long service leave | 281,751 | 265,516 |
| Provision for rostered days off | 37,522 | 40,090 |
| Provision for time in lieu | 7,913 | 3,440 |

Total current employee related provisions

757,227 718,704

Non-current provisions

Employee benefit provisions

| | | |
|--------------------|---------|--------|
| Long service leave | 125,624 | 83,117 |
|--------------------|---------|--------|

Total non-current employee related provisions

125,624 83,117

Total employee related provisions

882,851 801,821

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.

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 2023**

15. OTHER PROVISIONS

| | Equity Contribution - Investment in Associate |
|---------------------------------------|--|
| | Actual |
| | \$ |
| Opening balance at 1 July 2022 | 0 |
| Additional provision | 268,434 |
| Balance at 30 June 2023 | 268,434 |
| Comprises | |
| Current | 268,434 |
| | 268,434 |

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. REVALUATION SURPLUS

| | 2023 Opening Balance Actual | Total Movement on Revaluation Actual | 2023 Closing Balance Actual | 2022 Opening Balance Actual | Total Movement on Revaluation Actual | 2022 Closing Balance Actual |
|--|--|---|--|--|---|--|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 5,109,000 | 125,000 | 5,234,000 | 3,840,900 | 1,268,100 | 5,109,000 |
| Revaluation surplus - Buildings - non-specialised level 2 | 17,223 | 0 | 17,223 | 0 | 17,223 | 17,223 |
| Revaluation surplus - Buildings - non-specialised level 3 | 585,380 | 220,426 | 805,806 | 585,380 | 0 | 585,380 |
| Revaluation surplus - Buildings - specialised level 3 | 11,158,410 | 2,816,351 | 13,974,761 | 11,158,410 | 0 | 11,158,410 |
| Revaluation surplus - Plant and equipment | 469,638 | 0 | 469,638 | 469,638 | 0 | 469,638 |
| Revaluation surplus - Infrastructure - Roads | 15,205,424 | 3,664,481 | 18,869,905 | 15,205,424 | 0 | 15,205,424 |
| Revaluation surplus - Infrastructure - Drainage | 3,341,189 | 693,398 | 4,034,587 | 3,341,189 | 0 | 3,341,189 |
| Revaluation surplus - Infrastructure - Parks and Ovals | 1,799,044 | 653,383 | 2,452,427 | 1,799,044 | 0 | 1,799,044 |
| Revaluation surplus - Infrastructure - Footpaths and Cycleways | 2,331,013 | 901,144 | 3,232,157 | 2,331,013 | 0 | 2,331,013 |
| Revaluation surplus - Infrastructure - Car Parks | 216,407 | 373,595 | 590,002 | 216,407 | 0 | 216,407 |
| Revaluation surplus - Infrastructure - Bus Shelters | 116,450 | 35,335 | 151,785 | 116,450 | 0 | 116,450 |
| | 40,349,178 | 9,483,113 | 49,832,291 | 39,063,855 | 1,285,323 | 40,349,178 |
| Revaluation surplus - Share from investments in associates | 479,167 | 0 | 479,167 | 479,167 | 0 | 479,167 |
| | 40,828,345 | 9,483,113 | 50,311,458 | 39,543,022 | 1,285,323 | 40,828,345 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. RESTRICTIONS OVER FINANCIAL ASSETS

| | Note | 2023 Actual \$ | 2022 Actual \$ |
|--|------|----------------------|----------------------|
| The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: | | | |
| - Cash and cash equivalents | 3 | 9,276,977 | 4,285,825 |
| | | 9,276,977 | 4,285,825 |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used: | | | |
| Restricted reserve accounts | 28 | 2,638,933 | 2,484,209 |
| Contract liabilities | 12 | 82,553 | 146,910 |
| Capital grant liabilities | 12 | 6,555,491 | 1,654,706 |
| Total restricted financial assets | | 9,276,977 | 4,285,825 |

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

| | | | |
|--|--|------------------|------------------|
| Bank overdraft limit | | 1,000,000 | 1,000,000 |
| Bank overdraft at balance date | | 0 | 0 |
| Credit card limit | | 20,000 | 20,000 |
| Credit card balance at balance date | | (4,178) | (5,245) |
| Total amount of credit unused | | 1,015,822 | 1,014,755 |
| Loan facilities | | | |
| Loan facilities - current | | 5,068 | 98,204 |
| Loan facilities - non-current | | 94,112 | 99,537 |
| Total facilities in use at balance date | | 99,180 | 197,741 |
| Unused loan facilities at balance date | | 0 | 0 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. CONTINGENT LIABILITIES

(a) Resource Recovery Group (RRG) - Remediation Costs

The RRG 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 RRG by way of an investment in associate, this provision is inherently included in the Town's share of the net assets of the RRG. As such, the Town is not required to make any separate provisions for these remediation costs. Any movement in this provision will be negligible and the Town has not identified any financial risk associated with this provision.

(b) Town of East Fremantle Withdrawal from the Resource Recovery Group (RRG)

At the Ordinary Council Meeting held on 20 June 2023, Council unanimously resolved to provide formal notice of withdrawal to the Resource Recovery Group (RRG - formerly SMRC) in accordance with section 11.1 of the Establishment Agreement (1997) to end its membership (participation) within the regional local government.

The resulting impact of the withdrawal is dependent on whether the remaining members determine to proceed with the RRG as a going concern, or if the Town's withdrawal ultimately triggers a winding up of the RRG.

Should the RRG continue as a going concern, the Town is required to fund the costs of an amended business plan, which could be in the vicinity of up to \$250,000; yet they are also entitled to a proportional equity payment of net assets valued at 30 June 2024.

The status of the future of the RRG is yet to be determined by participating members.

(c) 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.

20. CAPITAL COMMITMENTS

| | 2023 | 2022 |
|--|-------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Contracted for: | | |
| - contract liabilities for capital works | 24,638,083 | 1,698,229 |
| - plant & equipment purchases | 0 | 1,662,437 |
| | 24,638,083 | 3,360,666 |
| Payable: | | |
| - not later than one year | 24,638,083 | 3,360,666 |

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

| | |
|---|------------|
| East Fremantle Oval Redevelopment Project | 18,068,762 |
| Fremantle Women's Soccer Club | 13,831 |

The above capital expenditure commitments relate to open purchase orders, whereby work is still currently being undertaken at 30 June 2023 (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:

| | |
|---|-----------|
| East Fremantle Oval Redevelopment Project | 6,496,117 |
| Fremantle Women's Soccer Club | 59,374 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

| Note | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Mayor's annual allowance | 28,560 | 28,560 | 28,000 |
| Mayor's meeting attendance fees | 25,500 | 25,500 | 25,000 |
| Mayor's ICT expenses | 3,500 | 3,500 | 3,500 |
| | 57,560 | 57,560 | 56,500 |
| Deputy Mayor's annual allowance | 7,140 | 7,140 | 6,981 |
| Deputy Mayor's meeting attendance fees | 15,810 | 15,810 | 20,005 |
| Deputy Mayor's ICT expenses | 3,500 | 3,500 | 4,516 |
| | 26,450 | 26,450 | 31,502 |
| All other council member's meeting attendance fees | 108,035 | 110,670 | 101,984 |
| All other council member's ICT expenses | 23,917 | 24,500 | 23,021 |
| | 131,952 | 135,170 | 125,005 |
| 21(b) | 215,962 | 219,180 | 213,007 |

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

| Note | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|-----------------------------------|----------------------|----------------------|----------------------|
| Mayor's annual allowance | 28,560 | 28,560 | 28,000 |
| Deputy Mayor's annual allowance | 7,140 | 7,140 | 6,981 |
| Meeting attendance fees | 149,345 | 151,980 | 146,989 |
| Annual allowance for ICT expenses | 30,917 | 31,500 | 31,037 |
| 21(b) | 215,962 | 219,180 | 213,007 |

(b) Key Management Personnel (KMP) Compensation

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

| Note | 2023 Actual \$ | 2022 Actual \$ |
|-------------------------------------|----------------------|----------------------|
| Short-term employee benefits | 671,005 | 635,714 |
| Post-employment benefits | 86,491 | 92,499 |
| Employee - other long-term benefits | 72,275 | 61,395 |
| Employee - termination benefits | 43,228 | 0 |
| Council member costs | 215,962 | 213,007 |
| 21(a) | 1,088,961 | 1,002,615 |

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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

| | 2023 Actual | 2022 Actual |
|--|------------------------|------------------------|
| | \$ | \$ |
| Purchase of goods and services | 581,339 | 586,959 |
| Loan Repayments (including interest & guarantee fee) | 99,675 | 111,161 |
| Annual contribution towards operating expenditure | 29,704 | 28,236 |
| Amounts payable to related parties: | | |
| Trade and other payables | 51,117 | 48,121 |

Related Parties

The Town's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Town

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

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 2023**

22. INVESTMENT IN ASSOCIATES

(a) Investment in associates

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.

Note: Resource Recovery Group (RRG - formerly SMRC)

| Name of entity | % of ownership interest | | 2023 Actual \$ | 2022 Actual \$ |
|--|-------------------------|-------|----------------------|----------------------|
| | 2023 | 2022 | | |
| Resource Recovery Group (RRG) - Existing Undertakings Proportional Equity Share | 5.38% | 5.37% | | |
| Resource Recovery Group (RRG) - Office Accommodation Project Proportional Equity Share | 5.44% | 5.43% | | |
| Resource Recovery Group (RRG) - RRRRC Project Proportional Equity Share | 5.37% | 5.36% | | |
| Resource Recovery Group (RRG) - Consolidated | | | 871,324 | 1,382,443 |
| Total equity-accounted investments | | | 871,324 | 1,382,443 |

(b) Share of investment in RRG

The Resource Recovery Group (RRG) is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, Fremantle, East Fremantle, Kwinana, Melville and Rockingham.

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

According to clause 8.4 of the Establishment Agreement, a decision to proceed with a project, by project participants, is required to be unanimous. All other decisions of the RRG require a simple majority, with the exception of decisions requiring an absolute majority in accordance with the *Local Government Act 1995* and the decision to consider a project proposal.

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

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

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

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

Over the period the following local governments have since withdrawn from the Regional Council: City of Canning in June 2010, City of Rockingham in June 2012, the City of Cockburn in June 2019 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 2023:

RRG Existing Undertakings Proportional Equity Share 5.38%

(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 2023:

RRRC Project Proportional Equity Share 5.37%

RRRC - Lending Facility

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

The RRG 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 RRG 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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. INVESTMENT IN ASSOCIATES (Continued)

(b) Share of investment in RRG (Continued)

As at 30 June 2023, the balance outstanding against the lending facility stood at: **\$0**
with the Town's share of this liability being: **\$0**
using the current cost/profit sharing percentage of: **3.00%**

(c) Office Accommodation Project

The Office Accommodation Project pertains to RRG's Office located at 9 Aldous Place, Booragoon, Western Australia. The Town's equity share of the project is based on proportional population. The Town's share as at 30 June 2023:

Office Accommodation Project Proportional Equity Share 5.44%

Office Accommodation - Lending facility

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

As at 30 June 2023, the balance outstanding against the lending facility stood at: **\$1,800,000**
with the Town's share of this liability being: **\$99,180**
using the current cost/profit sharing percentage of: **5.51%**

| Summarised statement of comprehensive income | Note | 2023 | 2022 | 2022 |
|--|-------|---------------------|--------------------|--------------------|
| | | Actual | Audited* | Unaudited** |
| | | \$ | \$ | \$ |
| Revenue | | 16,513,136 | 18,170,620 | 17,412,446 |
| Interest revenue | | 238,952 | 20,805 | 20,805 |
| Finance charge | | (414,999) | (543,876) | (543,876) |
| Depreciation | | (4,740,647) | (4,613,630) | (4,258,623) |
| Profit/(loss) from continuing operations | | (9,519,311) | (3,327,051) | (3,743,717) |
| Profit/(loss) from discontinued operations | | | | |
| Profit/(loss) for the period | | (9,519,311) | (3,327,051) | (3,743,717) |
| Other comprehensive income - Impairment of RRRC WCF assets | | (6,963,290) | 0 | 758,174 |
| Total comprehensive income for the period | | (16,482,601) | (3,327,051) | (2,985,543) |
| Summarised statement of financial position | | | | |
| Cash and cash equivalents | | 4,756,898 | 11,974,442 | 7,941,329 |
| Other current assets | | 9,326,355 | 8,426,760 | 10,659,872 |
| Total current assets | | 14,083,253 | 20,401,202 | 18,601,201 |
| Non-current assets | | 19,091,744 | 30,332,453 | 32,224,485 |
| Total assets | | 33,174,997 | 50,733,655 | 50,825,686 |
| Current financial liabilities | | 91,976 | 5,086,955 | 3,286,955 |
| Other current liabilities | | 4,284,468 | 3,286,770 | 3,023,795 |
| Total current liabilities | | 4,376,444 | 8,373,725 | 6,310,750 |
| Non-current financial liabilities | | 1,708,024 | 0 | 1,800,000 |
| Other non-current liabilities | | 10,650,038 | 9,436,838 | 9,436,836 |
| Total non-current liabilities | | 12,358,062 | 9,436,838 | 11,236,836 |
| Total liabilities | | 16,734,506 | 17,810,563 | 17,547,586 |
| Net assets | | 16,440,491 | 32,923,092 | 33,278,100 |
| Reconciliation to carrying amounts | | | | |
| Opening net assets 1 July | | 32,923,092 | 36,250,143 | 36,250,143 |
| Profit/(Loss) for the period | | (9,519,311) | (3,327,051) | (3,743,717) |
| Other comprehensive income - Impairment of RRRC WCF assets | | (6,963,290) | 0 | 758,174 |
| Correction of Error 2020-21 | | 0 | 0 | 13,500 |
| Closing net assets 1 July | | 16,440,491 | 32,923,092 | 33,278,100 |
| Carrying amount at 1 July | | 1,382,443 | 1,429,853 | 1,429,853 |
| - Share of associates net profit/(loss) for the period | 22(c) | (768,130) | (73,984) | (103,279) |
| - Share of associates other comprehensive income arising during the period | | 0 | 0 | 40,718 |
| - Change to Accounting Estimate from Prior Year | | (11,419) | 15,151 | 15,151 |
| - Provision for Contribution to equity in associate | | 268,434 | 0 | 0 |
| Carrying amount at 30 June (Refer to Note 22(a)) | | 871,328 | 1,371,020 | 1,382,443 |

* 2022 Actuals have been restated for the purposes of this note only showing the audited results of the RRG.

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

In 2021/22 the Town provided for a share of associates net profit/(loss) of (\$103,279) and share of associates other comprehensive income of \$40,718 (unaudited), whereas the audited accounts provided for a share of associates net profit/(loss) of (\$73,984) and share of associates other comprehensive income of nil. A difference of (\$11,419) has been accounted for in the 2022/23 financial year.

The share of associates net profit/(loss) and comprehensive income of (\$779,554) is presented in the 2022/23 financial year. Majority being attributed to impairment of the RRRC WCF assets.

The asset value of Investments in Associates (RRG) presented in the 2022 Annual Financial Statements was \$1,382,443 (unaudited) versus the \$1,371,020 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 2022/23 Financial Statements.

**TOWN OF EAST FREMANTLE
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FOR THE YEAR ENDED 30 JUNE 2023**

22. INVESTMENT IN ASSOCIATES (Continued)

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

| 2023 Actual | 2022 Audited* | 2022 Unaudited** |
|------------------|------------------|---------------------|
| \$ | \$ | \$ |
| (779,549) | (58,833) | (47,410) |
| (779,549) | (58,833) | (47,410) |

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Town has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not 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
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23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Town, at its Ordinary Council Meeting held on 20 June 2023 had already resolved to commence its withdrawal from the RRG, effective 1 July 2024.

These events occurred after the reporting period, and prior to issue of the Town's financial report. Any financial impact to the Town is unable to be estimated at the time of issue of the financial report.

Following the end of the financial year ended 30 June 2023, the remaining participants of the Resource Recovery Group (RRG, formerly SMRC) resolved at their respective Ordinary Council Meetings held on 21 November 2023 (City of Melville) and 22 November 2023 (City of Fremantle) to withdraw from the RRG and all associated projects effective from 1 July 2025. As a result of all participants exiting from the RRG, the RRG is required to determine whether it will continue as a going concern regarding its core services and retention of key staff.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. 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 report is presented.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. RATING INFORMATION

General Rates

| RATE TYPE | Basis of valuation | Rate in \$ | Number of Properties | 2022/23 Actual Rateable Value* | 2022/23 Actual Rate Revenue | 2022/23 Actual Interim Rates | 2022/23 Actual Total Revenue | 2022/23 Budget Rate Revenue | 2022/23 Budget Interim Rate | 2022/23 Budget Total Revenue | 2021/22 Actual Total Revenue |
|---|------------------------|------------|----------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Residential | Gross rental valuation | 0.079432 | 2,964 | 86,842,498 | 6,868,599 | 20,177 | 6,888,776 | 6,867,266 | 20,000 | 6,887,266 | 6,595,820 |
| Commercial | Gross rental valuation | 0.118300 | 119 | 11,626,910 | 1,365,391 | 14,704 | 1,380,095 | 1,363,277 | 0 | 1,363,277 | 1,313,443 |
| Total general rates | | | 3,083 | 98,469,408 | 8,233,990 | 34,881 | 8,268,871 | 8,230,543 | 20,000 | 8,250,543 | 7,909,263 |
| Minimum payment | | | | | | | | | | | |
| Residential | Gross rental valuation | 1,184 | 336 | 4,204,574 | 389,536 | 0 | 389,536 | 388,352 | 0 | 388,352 | 374,402 |
| Commercial | Gross rental valuation | 1,770 | 7 | 117,220 | 19,470 | 0 | 19,470 | 21,240 | 0 | 21,240 | 18,722 |
| Total minimum payments | | | 343 | 4,321,794 | 409,006 | 0 | 409,006 | 409,592 | 0 | 409,592 | 393,124 |
| Total general rates and minimum payments | | | 3,426 | 102,791,202 | 8,642,996 | 34,881 | 8,677,877 | 8,640,135 | 20,000 | 8,660,135 | 8,302,387 |
| Concession on general rates | | | | | | | 0 | | | | 0 |
| Total Rates | | | | | | | 8,677,877 | | | 8,660,135 | 8,302,387 |
| Rate instalment interest | | | | | | | 36,020 | | | 36,000 | 34,621 |
| Rate overdue interest | | | | | | | 17,278 | | | 22,000 | 17,523 |

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

*Rateable Value at time of raising of rate.

**TOWN OF EAST FREMANTLE
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26. DETERMINATION OF SURPLUS OR DEFICIT

| | 2022/23 Actual (30 June 2023) Carried Forward | 2022/23 Budget (30 June 2023) Carried Forward | 2021/22 Actual (30 June 2022) Carried Forward |
|---|---|---|---|
| Note | \$ | \$ | \$ |
| (a) Non-cash amounts excluded from operating activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | (41,577) | (487,693) | (32,651) |
| Less: Population adjustment to SMRC Loan Balance | (1,302) | 0 | 21,549 |
| Less: Fair value adjustments to financial assets at fair value through profit or loss | (3,686) | 0 | (3,997) |
| Less: Share of net profit of associates and joint ventures accounted for using the equity method | 779,549 | 0 | 47,410 |
| Add: Loss on disposal of assets | 4,797,942 | 0 | 4,738 |
| Add: Depreciation | 1,817,749 | 2,103,440 | 2,071,668 |
| Non-cash movements in non-current assets and liabilities: | | | |
| Financial assets at amortised cost | 0 | 0 | 0 |
| Pensioner deferred rates | (9,457) | 0 | (20,339) |
| Assets held for sale (Impairment Fair Value less Costs to Sell) | 0 | 0 | 27,329 |
| Employee benefit provisions | 42,507 | 0 | (11,915) |
| Non-current receivables | 8,661 | (13,922) | (10,923) |
| Movement from WIP to the Operating Statement | 15,000 | 0 | 0 |
| Non-cash amounts excluded from operating activities | 7,405,386 | 1,601,825 | 2,092,869 |
| (b) Non-cash amounts excluded from investing activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to investing activities | | | |
| Non cash payments for investments in associates | 268,434 | 0 | 0 |
| Non-cash amounts excluded from investing activities | 268,434 | 0 | 0 |
| (c) Surplus or deficit after imposition of general rates | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | |
| Adjustments to net current assets | | | |
| Less: Reserve accounts | 28 (2,638,933) | (4,331,960) | (2,484,209) |
| Less: Current assets not expected to be received at end of year | | | |
| - Land held for resale | 6 0 | 0 | (1,442,619) |
| Add: Current liabilities not expected to be cleared at end of year | | | |
| - Current portion of borrowings | 13 5,068 | 2,343 | 98,204 |
| - Current provision for equity contribution - Investment in Associate | 268,434 | 0 | 0 |
| - Current portion of lease liabilities | 10(b) 44,114 | 0 | 38,617 |
| Total adjustments to net current assets | (2,321,317) | (4,329,617) | (3,790,007) |
| Net current assets used in the Statement of Financial Activity | | | |
| Total current assets | 15,540,986 | 6,520,749 | 8,814,784 |
| Less: Total current liabilities | (12,467,937) | (2,191,132) | (4,511,956) |
| Less: Total adjustments to net current assets | (2,321,317) | (4,329,617) | (3,790,007) |
| Surplus or deficit after imposition of general rates | 751,732 | 0 | 512,821 |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| Purpose | Note | Actual | | | | | Budget | | | | | | | |
|---|------|--------------------------|--------------------------|-------------------------------------|---|------------------------------------|------------------------------------|-------------------------------------|---|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
| | | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Population Adjustment to Loan Principal | Principal at 30 June 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Population Adjustment to Loan Principal | Principal at 30 June 2023 | Principal at 1 July 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| RRG - Regional Resource Recovery Centre | | \$ 203,516 | \$ 0 | \$ (103,104) | \$ (2,208) | \$ 98,204 | \$ 0 | \$ (97,259) | \$ (945) | \$ 0 | \$ 101,520 | \$ 0 | \$ (102,000) | \$ (480) |
| RRG - Administration Building | | 75,780 | 0 | 0 | 23,757 | 99,537 | 0 | 0 | (357) | 99,180 | 75,780 | 0 | 0 | 75,780 |
| Total | | 279,296 | 0 | (103,104) | 21,549 | 197,741 | 0 | (97,259) | (1,302) | 99,180 | 177,300 | 0 | (102,000) | 75,300 |
| Borrowing Finance Cost Payments | | | | | | | | | | | | | | |
| Purpose | Note | Loan Number | Institution | Interest Rate | Actual for year ended 30 June 2023 | Budget for year ended 30 June 2023 | Actual for year ended 30 June 2022 | | | | | | | |
| RRG - Regional Resource Recovery Centre | | Various | WATC | Various | \$ 2,621 | \$ (8,250) | \$ (7,146) | | | | | | | |
| RRG - Administration Building | | 2-7 | WATC | 0.35% | 0 | 0 | 0 | | | | | | | |
| Total | | | | | 2,621 | (8,250) | (7,146) | | | | | | | |
| Total Finance Cost Payments | | | | | | | | 2,621 | (8,250) | (7,146) | | | | |

* Share of RRG 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 Resource Recovery Group (RRG) to pay its share of the loan liability to the RRG which will eventually be paid to the Western Australian Treasury Corporation via the RRG. 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 RRG formally established. In the event of default by the RRG, the Town guarantees to pay its share of loan directly to the Western Australian Treasury Corporation.

TOWN OF EAST FREMANTLE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

| Purpose | Note | Actual | | | | | | | | | Budget | | | |
|------------------------------------|-------|--------------------------|---------------------------|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|
| | | Principal at 1 July 2021 | New Leases During 2021-22 | Principal Repayments During 2021-22 | CPI Adjustment 2021-22 | Principal at 30 June 2022 | New Leases During 2022-23 | ROU Adjustment 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Leases During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| | | \$ | \$ | \$ | | \$ | \$ | | \$ | \$ | \$ | \$ | \$ | \$ |
| River seabed (Mooring Pens) | | 291,264 | 0 | (37,551) | 1,091 | 254,804 | 0 | 28,226 | (40,616) | 242,414 | 246,264 | | (45,000) | 201,264 |
| Total Lease Liabilities | 10(b) | 291,264 | 0 | (37,551) | 1,091 | 254,804 | 0 | 28,226 | (40,616) | 242,414 | 246,264 | 0 | (45,000) | 201,264 |
| Lease Finance Cost Payments | | | | | | | | | | | | | | |
| Purpose | Note | Institution | Interest Rate | Date final payment is due | Actual for year ended 30 June 2023 | Budget for year ended 30 June 2023 | Actual for year ended 30 June 2022 | Lease Term (months) | | | | | | |
| | | | | | \$ | \$ | \$ | | | | | | | |
| River seabed (Mooring Pens) | 2(b) | Department of Transport | 2.60% | 1/06/2028 | (6,804) | (8,000) | (7,074) | 252 | | | | | | |
| Total Finance Cost Payments | | | | | (6,804) | (8,000) | (7,074) | | | | | | | |

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

28. RESERVE ACCOUNTS

| | 2023 Actual Opening Balance | 2023 Actual Transfer to | 2023 Actual Transfer (from) | 2023 Actual Closing Balance | 2023 Budget Opening Balance | 2023 Budget Transfer to | 2023 Budget Transfer (from) | 2023 Budget Closing Balance | 2022 Actual Opening Balance | 2022 Actual Transfer to | 2022 Actual Transfer (from) | 2022 Actual Closing Balance |
|---|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by legislation/agreement | | | | | | | | | | | | |
| (a) Payment in Lieu of Parking Reserve | 137,010 | 0 | 0 | 137,010 | 137,010 | 0 | 0 | 137,010 | 0 | 137,010 | 0 | 137,010 |
| | 137,010 | 0 | 0 | 137,010 | 137,010 | 0 | 0 | 137,010 | 0 | 137,010 | 0 | 137,010 |
| Restricted by council | | | | | | | | | | | | |
| (b) Non Current Leave Entitlements Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | 0 | (10,000) | 0 |
| (c) Vehicle, Plant and Equipment Reserve | 50,407 | 0 | 0 | 50,407 | 50,407 | 0 | (50,000) | 407 | 84,127 | 0 | (33,720) | 50,407 |
| (d) Aged Services Reserve | 11,803 | 0 | (11,803) | 0 | 11,803 | 0 | 0 | 11,803 | 11,803 | 0 | 0 | 11,803 |
| (e) Strategic Asset Management Reserve | 64,920 | 0 | 0 | 64,920 | 64,920 | 0 | 0 | 64,920 | 7,542 | 57,378 | 0 | 64,920 |
| (f) Arts and Sculpture Reserve | 156,772 | 45,000 | (36,108) | 165,664 | 156,772 | 45,000 | (111,250) | 90,522 | 156,772 | 0 | 0 | 156,772 |
| (g) Waste Reserve | 0 | 35,000 | 0 | 35,000 | 0 | 35,000 | 0 | 35,000 | 0 | 0 | 0 | 0 |
| (h) Streetscape Reserve | 75,000 | 0 | 0 | 75,000 | 75,000 | 0 | 0 | 75,000 | 75,000 | 0 | 0 | 75,000 |
| (i) Drainage Reserve | 250,000 | 0 | (56,707) | 193,293 | 250,000 | 0 | (100,000) | 150,000 | 150,000 | 100,000 | 0 | 250,000 |
| (j) East Fremantle Oval Redevelopment Reserve | 1,076,170 | 2,111,372 | (2,846,111) | 341,431 | 1,073,945 | 1,416,938 | 0 | 2,490,883 | 298,228 | 777,942 | 0 | 1,076,170 |
| (k) Preston Point Facilities Reserve | 95,290 | 50,000 | 0 | 145,290 | 95,290 | 50,000 | 0 | 145,290 | 35,821 | 59,469 | 0 | 95,290 |
| (l) Sustainability and Environmental Reserve | 210,337 | 129,288 | (34,902) | 304,723 | 210,337 | 129,288 | (35,000) | 304,625 | 90,000 | 120,337 | 0 | 210,337 |
| (m) Town Planning Reserve | 70,000 | 30,000 | 0 | 100,000 | 70,000 | 30,000 | 0 | 100,000 | 50,000 | 20,000 | 0 | 70,000 |
| (n) Business Improvement Reserve | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 0 | 0 | 0 |
| (o) Old Police Station Reserve | 16,500 | 0 | 0 | 16,500 | 16,500 | 28,000 | (28,000) | 16,500 | 16,500 | 0 | 0 | 16,500 |
| (p) Strategic Waste Reserve | 0 | 146,684 | 0 | 146,684 | 0 | 60,000 | 0 | 60,000 | 0 | 0 | 0 | 0 |
| (q) Plympton Parking Reserve | 0 | 616,667 | 0 | 616,667 | 0 | 500,000 | 0 | 500,000 | 0 | 0 | 0 | 0 |
| (r) Foreshore Management Plan | 270,000 | 0 | (73,656) | 196,344 | 270,000 | 0 | (170,000) | 100,000 | 0 | 270,000 | 0 | 270,000 |
| | 2,347,199 | 3,214,011 | (3,059,287) | 2,501,923 | 2,344,974 | 2,344,226 | (494,250) | 4,194,950 | 985,793 | 1,405,126 | (43,720) | 2,347,199 |
| | 2,484,209 | 3,214,011 | (3,059,287) | 2,638,933 | 2,481,984 | 2,344,226 | (494,250) | 4,331,960 | 985,793 | 1,542,136 | (43,720) | 2,484,209 |

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:

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

28. RESERVE ACCOUNTS (Continued)

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

29 TRUST FUNDS

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Town of East Fremantle

To the Council of the Town of East Fremantle

Opinion

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

- the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of 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 2023 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, the Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of matter – Investment in associates

I draw attention to Note 23 to the financial report, which states that, following the end of the financial year ended 30 June 2023, the two remaining member council participants have resolved to withdraw from Resource Recovery Group effective from 1 July 2025. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the Town is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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.augasb.gov.au/auditors_responsibilities/ar4.pdf.

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Town of East Fremantle for the year ended 30 June 2023 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 Robison
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 December 2023