

ANNUAL REPORT

For the year ended 30 June 2021



**Inclusive community,
balancing growth and lifestyle**



TOWN of
EAST FREMANTLE



The 2020/21 Annual Report can be downloaded from the Town of East Fremantle website.

The Town produces a limited number of hard copies of the Annual Report, in line with its ongoing commitment to sustainability and in keeping with our Disability Access and Inclusion Plan.

These may be viewed by the public at the Town's administration office in the East Fremantle Town Hall at 135 Canning Highway.

Acknowledgment of Country

In preparation of this document, the Town of East Fremantle acknowledges the Whadjuk Nyoongar people, who are the traditional custodians of the land in the region and pay respect to their elders past, present and emerging. The Town also acknowledges other Aboriginal language groups in the area.

Our Story

Created in 1897, when it separated from the City of Fremantle to become an independent local authority, the Town of East Fremantle now boasts a population of approximately 7,900. It is 3.2 square kilometres in area, bounded to the north and west by the Swan River. To the east it shares a common boundary with the City of Melville, and to the south and west with the City of Fremantle.

The Town has a rich history. The local Aboriginal tribe known as Nyoongar/Whadjuk obtained food and drinking water from the river foreshore and open grassy areas. The track that linked the fledgling Swan River Colony based in Fremantle to the future city centre of Perth in 1831 is documented traversing along the East Fremantle cliff edge finishing at the river ferry crossing at Preston Point.

Early European settlement of the area consisted of large farm holdings, however as the colony prospered during the 1890s gold rush the nature of settlement altered dramatically, rapidly changing to a residential area.

The Plympton precinct today contains many charming worker's cottages which were established largely between 1890 and 1910. Riverside precinct was established by the merchant elite of Fremantle and is perched high on the cliffs overlooking the river. Gracious homes, some from the goldrush era, are dotted along the escarpment. Further northwards, the Richmond Hill Precinct was developed in the 1950s with houses typical of the period also enjoying the expansive views over the river. The Woodside and Richmond precincts contain many homes dating from 1900–1940 exhibiting a distinct and unique character within the Town.

The Town has begun a process of healing and learning by developing a culturally sensitive, inclusive, and capable workplace, and the development of our Reflect RAP provides important guidance and direction for our journey.

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From the Mayor

On behalf of East Fremantle I am pleased to present our Annual Report for 2020/21. For our Town, the challenges were keenly felt by all, and our thoughts were with our elderly, families with young children, business community and those with family and friends interstate and overseas. However, Western Australia has come through this period relatively unscathed from a health, social and economic perspective. With everyone committed to the benefit of the entire community we should continue to do well. I thank the East Fremantle community for the concern they showed and the 'helping hand' they have extended to their neighbours and others.

While some Councils laid off staff, we retained our team as part of a compassionate approach that struck the right balance. We froze our salaries and wages, as well as costs including rent, fees, and charges for many services. Our Commonwealth Home Services Program (CHSP) supported those vulnerable people in our Town with regular check-ins, prescriptions filled, meals delivered, and phone calls made to those who were left isolated.

Our Operations Team found themselves in a new era where 'deep cleaning' of our assets and fencing off playgrounds became the norm, while our Regulatory Services Team developed new COVID-19 Safety Plans, and we conducted a "Look Local" campaign to keep supporting our businesses.

In the midst of all of this, the Town was one of the first local government administrations to go into full online service delivery mode with no disruption to services. Within the social distancing parameters, the Town's open and public spaces were still maintained. We delivered a major upgrade to Riverside Road, worth almost \$2 million, at the same time that our residents and visitors were using our footpaths and roadways for their daily exercise.

We delivered this project on time, within budget, and to a high standard. It is pleasing to see so many people enjoying the upgrades. We showed our adaptability too when, amid a major consultation process over the future of the East Fremantle Oval, we switched our engagement plan to one that was almost entirely digital. Despite this, our staff ensured no one was left behind, even printing out and delivering in person copies of the surveys to ensure everyone's voice was heard.

Reflecting now on that process, we are fortunate to have a \$20 million commitment affirmed by the State Government, and the Town has allocated \$5 million (plus another million drawn from our reserves) to deliver our promise to you. This will be a game-changing outcome for our Town. I personally thank everyone who helped us to achieve this result, including our ever-energetic local member, Lisa O'Malley MLA, who went above and beyond to advocate on our behalf on this issue and many more.

Sadly, due to the pandemic we were unable to host East Fremantle's George Street Festival in 2020. This disappointment, like many others during a challenging year, has been taken in good spirit. By the end of 2020, it was so encouraging to see our Seniors' Christmas Lunch being so well patronised and enjoyed by so many. We also gathered in Glasson Park in December to turn on our (renewable solar) Christmas lights and express our gratitude for the festive season with family and friends.

In early 2021, we confirmed our refined community vision through our Strategic Community Plan 2020-30, for an "inclusive community and lifestyle, balancing growth and sustainability." This change in emphasis reflects the values that you have expressed, and we will work towards delivering that vision on your behalf.

This Annual Report shares our progress on that journey with you. In March 2021 we received the results of our Community Survey which showed that we are doing most things right. Generally, our community are satisfied with the services Council provides and love living here.

In April we hosted a first of its kind Youth Meet Up event during Youth Week, as part of our new and ongoing commitment to doing more for our Town's young people – stay tuned for more on this.

Major progress was made in 2020/21 on two important issues – reconciliation and climate change, with new Council advisory groups formed and action plans developed. Thank you to everyone who has had input into this important work.

On behalf of the elected officials and the broader community I would like to thank our CEO Gary Tuffin and his team who responded magnificently in this challenging year and did us all proud. We are lucky to have committed and hard-working staff as well as a cohesive and professional Council. As Mayor, I am very pleased to work with our staff and dedicated elected members, serving our compassionate, supportive, and connected community.



Mayor Jim O'Neill

Mayor O'Neill officiating at a Citizenship ceremony at The Town Hall in June 2021





From the Chief Executive Officer

I am pleased to present an Annual Report for the 2020/21 financial year that highlights the commitment of Council and staff to delivering quality services to the community, in what has been a challenging year.

In a difficult operating environment, due to external factors, I am proud that our team continued to serve our community with dedication and according to our values of Respect, Integrity, Teamwork and Empathy.

No discussion of values would be complete without recognition of the need for reconciliation with our Whadjuk/Nyoongar community, and I am pleased to report that our Reconciliation Action Plan is well underway. I thank the members of this Working Group for their important contribution.

While showing compassionate and values-based leadership, our focus remains on financial sustainability, and as 2020/21 closes, our Town retains its sound financial position. This is borne out by the unqualified audit we received from the Office of the Auditor General. Given the complexity of our operations, this is no small feat, and I thank our Corporate Services Team for this good work.

We are seeing continued results from our Customer Service Improvement Program, including:

- Dozens of service upgrades recorded in the 2021 MARKYT© Community Scorecard (Community Perception Survey), since our previous one in 2019, and our overall performance – moved to second (2nd) out of all participating local governments in WA.

- Moving more services online and streamlining our internal processes to make things quicker and easier for our customers.
- Ongoing implementation of the Corporate Business Plan and Strategic Resource Plan (Long Term Financial Plan), both now in their second year.

We are delivering on our commitment to reducing waste and optimising recycling following the highly successful roll-out of our FOGO three-bin system. This was followed by a new waste-to-energy arrangement with plans underway to convert the FOGO materials we capture into useable products. It's an exciting space, and one that I know our residents are passionate about.

We are progressing well towards a gold accreditation by the Water Corporation, with new policies now in effect, as we examine our daily operations to conserve all our resources. Our overall approach in this space is guided by the insight of our well-credentialed Climate Change Action Reference Group, and I thank them for their input.

By year's end the Town has a visionary plan for the future of our East Fremantle Oval Precinct, with genuine consensus on a way forward, and secure funding in place. I thank everyone who had input into this vision – in particular our Working Group, tenant clubs and nearby residents - and look forward to partnering with local businesses to build this facility that will transform our public open space and create a real community hub in the heart of our Town.

Our biennial survey revealed that we need to do more to engage with and provide services for our young people, and with this in mind, funds are committed to providing more for them both in terms of policy planning, physical infrastructure, and services.

We are preserving and protecting our heritage through new policies and strategies to ensure our iconic streetscapes, building styles and public spaces are eclectic and inviting, balancing the need for more housing with good amenity and lifestyle.

The Town continues to work closely with the Southwest Group Alliance; the South Metropolitan Regional Council (SMRC); neighbouring local governments, the cities of Fremantle and Melville; WALGA and the Department of Local Government, Communities and Sport and our local Parliamentary members at State and Federal levels.

These important relationships provide fora for sharing ideas, finding efficiencies, learning from each other, with new opportunities being explored.

Thank you to the Mayor and Councillors for their leadership and continuing support, and to my team who went above and beyond this year, working with dedication and compassion. Finally, thank you to the community who are always keen to be involved and who contribute to helping make the Town the best place it can be.



Gary Tuffin
Chief Executive Officer

CEO receiving an accreditation from Water Corporation in August 2020 recognising East Fremantle as a Waterwise Council



Highlights in Brief - 2020/21

Our New Vision - Strategic Community Plan 2020-30

Despite disruptions to the Town's annual plans for events and activities, we pushed ahead with refining and reaffirming our future vision as part of the review of our Strategic Community Plan. This highest order planning document sets the overall direction for the Town, and it informs our Corporate Business Plan, Budget, and all other operating documents. The community attended both in person and online sessions and refined the vision to become an: Inclusive community and lifestyle, balancing growth and sustainability reflecting the importance of inclusion and sustainability in our future direction.

Business Continuity and Compassionate Leadership

By far the greatest challenge faced by the Town was adapting to the changing health and safety requirements posted by the pandemic. Having successfully managed a lengthy lockdown in April 2020, the Town's Business Continuity Planning team was re-convened on an as-needs basis to manage subsequent lockdowns and other new requirements.

The Town switched effortlessly to all services being available remotely and online, with no disruption to customer service. The Town demonstrated compassionate leadership of its community through the waiver of many fees and charges and the freezing of other charges until the worst of the pandemic was over. This compassion was also shown to staff with flexible, digital working arrangements in place ensuring that – where possible – business as usual was conducted. Special mention must be given to the Town's Operations Team who adapted quickly to a whole new set of working requirements in deep cleaning and making safe Town assets.

Instilling our Values

The past 12 months has had significant challenges with our organisation continuing to deliver our services at a very high level, including during four COVID-19 shutdowns. **Our values: Respect, Integrity, Teamwork and Empathy**, have provided the platform for working the RITE way at all times. We developed an internal newsletter, The Easterly, to ensure all staff were informed about important health updates, and to communicate staff news, new initiatives and stories that demonstrated how we were living our values.

Our Values

Respect, Integrity, Teamwork and Empathy



Walking Together on the Path to Reconciliation

The Town has begun a process of healing and learning by developing a culturally sensitive, inclusive, and capable workplace, and the development of our Reflect Reconciliation Action Plan (RAP) provides important guidance and direction for our journey.

The RAP is an expression of our commitment to reconciliation, and whilst our words are important – the promises we make and the terms we use for our places, our stories, our local land, animals and plants, our weather, and seasons – our actions are just as crucial. So that our words guide our actions, this Reflect RAP outlines the practical steps East Fremantle will take so that reconciliation is embedded in our policies, strategies, and plans, and into the way we conduct business in the Town.

The Town acknowledges the extraordinary expertise and life experience that the RAP Working Group was able to contribute to development of this plan. The members of the Town of East Fremantle Reconciliation Working Group were Nyoongar Elders; Malcom Champion, Gladys Yarran and Farley Garlett, Geoff Addison; consultants Tim Muirhead and Danny Ford; Gary Tuffin (CEO); Councillors Jenny Harrington (Deputy Mayor), Michael McPhail, Cliff Collinson; other members; Mike Pforr and Margaret King.

Focus on Youth and Seniors

Although we were unable to schedule East Fremantle's George Street Festival in 2020, December did see us gather in George Street in a more low-key and socially distanced way when we gathered for the turning on of the Christmas lights in Glasson Park. For those of us who could not be with our distant friends and family, it was a moving experience to gather and reflect on a challenging year.

Then, reflecting the Town's new commitment to respecting the important contribution our young people make – now and for our future, with a new event – the East Fremantle Youth Meet Up being held on 22 April in Locke Park. Both seniors and youth (as well as families and the entire community) will also benefit from ongoing access to library services secured by our Shared Library Services agreement signed in September 2020.

East Fremantle's Youth Meet Up event -
photo by Kyle Spyrides



Highlights in Brief - 2020/21

Town Vibrancy Supported Through Public Art



The Town of East Fremantle supports public art in our Town through upholding its Public Art Policy, overseen by our Public Art Panel, presided over by Deputy Mayor Harrington, and featuring many local artists. At a special community celebration in August 2020, our community gathered to view our latest major acquisition. A series of new panels, designed and installed Ben Jones with the support of his father Tony, depicted and recalled the images and names of the most famous horses who once raced in the area. A highlight of the day was a race call featuring those horses, and the attendance of key members of the racing fraternity on the day. In November, the design for the new mural in Glasson Park was unveiled, featuring the work of local artist Jessee Lee Johns, depicting a visual and sensory map of key landmarks in the Town. A month later, the Town's Community Calendar – entitled Streets of Your Town – was unveiled, featuring photographs of public art in the Town and a map showing how to discover them. The next major acquisition is an edgy and contemporary sculpture that will be installed at the roundabout where Silas Street meets St Peters Road – stay tuned as we progress towards the unveiling of this new local icon.

Support for Clubs, Associations and Volunteers



The Town supported its volunteers through an event hosted in their honour during Volunteer Week, 17-23 May 2021. The Town connected our clubs and associations with various other forms of funding including COVID-19 relief and State Government support and stayed in close contact with our clubs to support them through the lockdowns. During the year, the Town also ran an expression of interest process that saw the Hurricane Paddling Crew find a new local home, with plans well underway to support Scouts WA to upgrade their facilities at Camp Waller. Community initiatives including street libraries, fairy gardens, the installation of a Peace Pole at Merv Cowan Park and the facilitation of a new community market run by the Lions Club were supported.



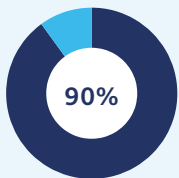
Family enjoying a picnic in Glasson Park

Community Rates East Fremantle as #1 Place to Live

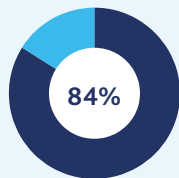
In early 2021, the Town of East Fremantle embarked on its biennial community survey, conducted by CATALYSE® through their MARKYT® Scorecard. This process saw 626 community members complete the survey and rate the Town on a broad range of metrics, with strong results received, and areas for further improvement identified.

The Town of East Fremantle is leading the industry in 3 areas:

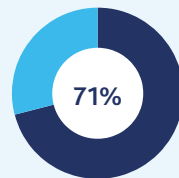
- Place to live
- Marine facilities (boat ramps, jetties, etc)
- E-newsletters



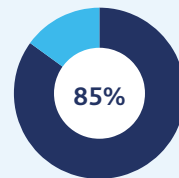
Overall score of 90/100 as a place to live – the highest rating in the sector in our State



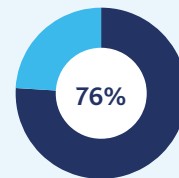
Positive rating The Town of East Fremantle as the organisation that governs the local area



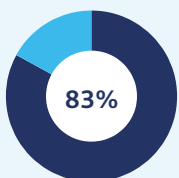
Positive rating in our efforts to promote and adopt sustainable practices to manage climate change



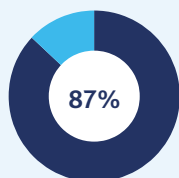
Positive rating for our playgrounds, parks and reserves facilities



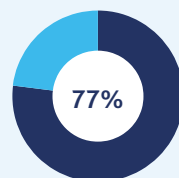
Positive rating for our footpaths and cycleways



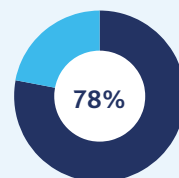
Council's leadership rating of 83%



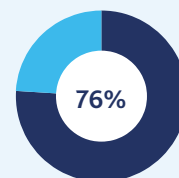
Positive feedback on our e-newsletter



Positive feedback on community safety and crime prevention



Positive feedback on managing responsible growth and development



Positive feedback on traffic management on local roads

Advocacy and Developing our Vision for East Fremantle Oval

The Town of East Fremantle drew in and attracted the attention and support of our State Government in an unprecedented fashion in 2020/21. We hosted Community Cabinet in August 2020, where our Mayor and Councillors focussed the attention of the Premier and State Government Ministers on local issues.

Among the guests were The Hon Dave Kelly MLA, Minister for Water; Forestry; Innovation and ICT; Science; Youth who grew up in East Freo. During the meetings, Mayor Jim O'Neill, Deputy Mayor Jenny Harrington, and CEO Gary Tuffin sought the support of Premier Mark McGowan and his Cabinet for local priorities including the redevelopment of East Fremantle Oval. Deputy Mayor Harrington also held discussions with Minister Templeman about the Town's public art programme.

In his remarks on the day, Mayor O'Neill explained that the Town – although small,

the second smallest municipality in Perth – punched above its weight. His efforts, those of the CEO and our local member, Lisa O'Malley MLA paid off in January 2021 when the State Government made a pre-election commitment of \$20 million for the project. This commitment matched an earlier statement made by the then State opposition leader, Zak Kirkup.

The proposal for the \$26.5 million state-of-the-art facility creates an entirely new model for community-based sports and recreation for all ages and abilities that will transform the site into an inclusive, open and welcoming space.

It is a brand-new concept in which the WAFL Club is seamlessly integrated with compatible community and sporting facilities as well as open recreational and function spaces, learning opportunities and complementary commercial spaces.

EFO Funding announcement





Premier McGowan with Milly from Palmyra AFLW Juniors

The guiding principles promote active lifestyles, making leisure and recreation available to all ages and abilities, making spaces where the community can gather with neighbours, families, and friends. A space where they can get fit, have fun, walk their dogs, play with their kids, host a function, learn a new skill, have a meal, celebrate a life event, as well as providing a range of club-based sports for everyone to have a go, from beginners to life-long players.

With the momentum generated by Community Cabinet, the Town engaged the support of Brad Paatsch of Paatsch Group and his team to guide the Town through finalising the Vision Plan, through a

range of different methods including online surveys, displays at the Town's Open House, news media articles and presentations held at different times of the day to maximise community participation. The online surveys included one for all ages and one specifically targeted at the Town's young people. With the vision affirmed, the Town engaged a multi-disciplinary design team, led by Hunt Architects to develop the detailed designs, including two animated videos that share the future vision of the Precinct.

We look forward to delivering this exciting project for our community.

Elected Members 2020/21



Mayor Jim O'Neill

*Mayor 2017 - 2021
(From 2013)*

📞 0413 211 873

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



Councillor Michael McPhail

*Councillor
2017-2021 (from 2013)*

Preston Point Ward

📞 0404 979 273

✉ cr.mcphail@eastfremantle.wa.gov.au



Councillor Cliff Collinson

*Councillor
2019-2023 (From 2007)*

Plympton Ward

📞 (08) 9339 6452

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



Councillor Dean Nardi

*Councillor
2019 - 2023 (From 2015)*

Richmond Ward

📞 (08) 9339 5632

✉ cr.nardi@eastfremantle.wa.gov.au



Councillor Tony Watkins

*Councillor
2017-2021 (From 2013)*

Woodside Ward

📞 0427 980 907

✉ cr.watkins@eastfremantle.wa.gov.au

Elected Members 2020/21



Councillor Jenny Harrington

*Deputy Mayor 2021
Councillor 2017-2021 (From 2013)*

Plympton Ward

📞 0418 911 777

✉ cr.harrington@eastfremantle.wa.gov.au



Councillor Tony Natale

*Councillor
2019-2023*

Preston Point Ward

📞 0419 929 825

✉ cr.natale@eastfremantle.wa.gov.au



Councillor Kerry Donovan

*Councillor
2019-2023*

Woodside Ward

📞 0407 985 832

✉ cr.donovan@eastfremantle.wa.gov.au



Councillor Andrew McPhail

*Councillor
2017-2021 (From 2015)*

Richmond Ward

📞 0412 936 772

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





Elected Member Meeting Attendance 2020/21

Elected Member	Ordinary Council Meetings	Special Council Meetings	Town Planning Committee Meetings	Audit Committee Meetings	Concept Forum	Electors' Meeting	Total
Mayor O'Neill	10	3	9	1	10	1	34
Cr C Collinson	10	3	11	Not a member	9	1	34
Cr K Donovan	11	3	Not a member	Not a member	8	1	23
Cr J Harrington	11	3	9	-	9	1	33
Cr A McPhail	11	3	Not a member	2	10	1	27
Cr M McPhail	11	2	Not a member	2	8	1	24
Cr D Nardi	10	3	11	Not a member	8	1	33
Cr A Natale	10	3	11	2	9	1	36
Cr A Watkins	11	3	10	2	8	1	35

Attendance at Out of Hours Events

Event	Number of Occasions During 2020/21
Presentations/Briefings/Workshops	21
Training/Professional Development	4
Open House/Community Consultation Sessions	6
Citizenship Ceremonies	3
Public Art Panel Meetings	4
Climate Action Reference Group Meetings	8
Reconciliation Action Plan Working Group Meetings	4
Events Committee Meeting	1



How our Strategic Community Plan is used

The Strategic Community Plan outlines the vision for the Town of East Fremantle and identifies community priority areas for the next 10 years.

Strategic Priority Areas

Strategic Priority 1:
Social

Strategic Priority 2:
Economic

Strategic Priority 3:
Built Environment

Strategic Priority 4:
Natural Environment

Strategic Priority 5:
Leadership and Governance

Within each of the key result areas are the following elements to give the overall blueprint for the Town.

Vision

A descriptive statement of the future desired position for the Town of East Fremantle.

Objectives

What we are trying to put in place and achieve.

Strategies

High level statements about how we will achieve the objectives.

Measures

Specific data that will allow us to see how well we have implemented the Strategic Community Plan.

Monitoring

We will also monitor other key data that we, as a local government need to be aware of and consider, but do not control.

The strategic direction of the Town is translated into services and projects that are delivered to our community through the Corporate Business Plan which is reviewed annually. This ensures strategic priorities are translated into real actions.

Strategic Priorities

Strategic Priority 1: *Social*

"A socially connected, inclusive and safe community"

1.1 Facilitate appropriate local services for the health and wellbeing of the community

- 1.1.1 Facilitate or partner to ensure a range of quality services are provided at a local level
- 1.1.2 Strengthen the sense of place and belonging through inclusive community interaction and participation

1.2 Inviting open spaces, meeting places and recreational facilities

- 1.2.1 Provision of adequate recreational, sporting and social facilities
- 1.2.2 Activate inviting open spaces that encourage social connection across all ages

1.3 Strong community connection within a safe and vibrant lifestyle

- 1.3.1 Partner and educate to build a strong sense of community safety
- 1.3.2 Facilitate opportunities for people to develop community connections through events and celebrations
- 1.3.3 Enrich identity, culture and heritage through programs, events and celebrations
- 1.3.4 Facilitate community group capacity building

Strategic Priority 2: *Economic*

"Economic – Sustainable, locally focused and easy to do business with"

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
- 2.1.2 Investigate the development of business hubs and shared offices spaces
- 2.1.3 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

Strategic Priority 3: *Built Environment*

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

3.1 Facilitate sustainable growth with housing options to meet future community needs

- 3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites
- 3.1.2 Plan for a mix of inclusive diversified housing options

3.2 Maintaining and enhancing the Town's character

- 3.2.1 Ensure appropriate planning policies to protect the Town's existing built form

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 practices within resource capabilities
- 3.3.2 Optimal management of assets within resource capabilities
- 3.3.3 Plan and advocate for improved access and connectivity

Strategic Priorities

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"

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

4.2 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

Strategic Priority 5: *Leadership and Governance*

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

5.1 Strengthen organisational accountability and transparency

- 5.1.1 Strengthen governance, risk management and compliance
- 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, State and Federal government representatives and agencies and NGOs

5.3 Strive for excellence in leadership and governance

- 5.3.1 Deliver community outcomes through sustainable finance and human resource management
- 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



Community Cabinet in August 2020

Strategic Priority 1

SOCIAL

"A socially connected, inclusive and safe community."

The review of the Town's Strategic Community Plan 2020-2030 included outreach with community groups, business and young people



Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
<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 belonging through inclusive community interaction and participation</p>	<p>Community perception of value of services, inclusiveness and wellbeing</p>

2020/21 Achievements

- Provided Commonwealth Home Support Program (CHSP) with enhanced service delivery for clients and for seniors including during COVID-19, plus home shopping, groceries, welfare calls and referrals for other support services
- Public Art Panel began implementing four-year Arts Program including:
 - Richmond Raceway Turnstile Booth artwork installed with a well-attended public launch event, featuring racing connections and live race call of historic horses
 - Public Art highlighted in Streets of Your Town Community Calendar including public art walking trail
 - New installations - Glasson Park mural by Jesse Lee Johns, installed December 2020, and design chosen for Silas Street roundabout
 - Ongoing support for Museum of Perth's "Streets of East Freo" historical project at Dovenby House
- Public Health Plan 2018–2022 implemented: water fountains installed, Act-Belong-Commit partnership, defibrillators installed/monitored, Healthy Eating Grant partnerships (2), cigarette butt litter survey education
- Disability Access and Inclusion Plan implementation plus new Shared Library Services agreement with City of Fremantle
- Reconciliation Action Plan Working Group formed, and Action Plan drafted and endorsed - many actions already underway

Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
1.2 Inviting open spaces, meeting places and recreational facilities	1.2.1 Provision of adequate recreational, sporting and social facilities 1.2.2 Activate inviting open spaces that encourage social connection	Community perception of value of recreational facilities and meeting spaces
2020 / 21 Achievements <ul style="list-style-type: none"> Extensive consultation on and widespread community endorsement of vision for East Fremantle Oval Precinct <ul style="list-style-type: none"> Funding commitment secured from State Government for \$20 million plus \$6 million commitment from Town of East Fremantle Preston Point North Recreation Precinct Masterplan finalised following community consultation Allocated over \$2.5m (including depreciation) towards Recreation and Cultural activities, including the Community Assistance Grants program Asset Management Plans incorporated into Strategic Resource Plan. COVID-19 safety measures implemented across all Council buildings and assets including playgrounds Enhanced Ranger Services with two new casual Rangers appointed reflecting community diversity 		
1.3 Strong community connection within a safe and vibrant lifestyle	1.3.1 Partner and educate to build a strong sense of community safety 1.3.2 Facilitate opportunities for people to develop community connections through community celebrations 1.3.3 Enrich identity, culture and heritage through programs, events and celebrations 1.3.4 Facilitate community group capacity building	<ul style="list-style-type: none"> Community perception of value of vibrancy and connectivity Increase community perception of safety Increase in community participation and satisfaction with events
2020 / 21 Achievements <ul style="list-style-type: none"> Look Local campaign to encourage residents and visitors to patronise local business, especially supporting takeaway sales during lockdowns Continued major sponsorship to the Glyde-In Community Centre worth \$87k per annum New brochures developed on parking, customer service charter, welcome packs and new community facilities map Community-led initiatives: Peace Pole (Merv Cowan Park), Fairy Gardens, community Facebook groups Community Assistance Grants <ul style="list-style-type: none"> Community Assistance Grants were paused due to COVID-19, but support was offered through waiver of rates for Clubs and tenants of Council buildings etc 		



Strategic Priority 2

ECONOMIC

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

Throughout the pandemic, and afterwards, the Town supported local business



Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
<p>2.1 Actively support new business activity and existing local businesses</p>	<p>2.1.1 Ensure a "local" focus through supporting and promoting opportunities for local business</p> <p>2.1.2 Investigate the development of business hubs and shared offices spaces</p> <p>2.1.3 Facilitate opportunities / forums where local business people can meet and share ideas</p>	<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
<p>2.2 Continue to develop and revitalise local business activity centres</p>	<p>2.2.1 Facilitate local small business access for community and business growth</p>	

2020 / 21 Achievements

- Hosted a number of small business forums in partnership with the Small Business Development Corporation
- Partnership with South West Group of Local Governments to explore economic opportunities for the sub-region
- Assisted local businesses, sporting clubs, churches, community groups and tenants of Town buildings with COVID-19 Safety Plan prior to reopening and providing advice during pandemic to assist with compliance
- Enhanced engagement with local business through Town of East Fremantle's LinkedIn profile and social media
- Updates to community business directory via Town of East Fremantle website
- Local businesses supported through procurement of printing and design services for Town publications
- Commitment to include local businesses as part of the redevelopment of East Fremantle Oval Precinct where possible

Strategic Priority 3

BUILT ENVIRONMENT

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

Objectives <i>What we need to achieve</i>	Strategies <i>How we’re going to do it</i>	Measures of Success <i>How we will be judged</i>
3.1 Facilitate sustainable growth with housing options to meet future community needs	3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites	Community perception of value of strategic development site outcomes
	3.1.2 Plan for a mix of inclusive diversified housing options	
2020 / 21 Achievements <ul style="list-style-type: none"> • Draft Local Planning Strategy is updated in consultation with the Department of Planning, Lands & Heritage for consideration as suitable to be advertised • Facilitating Leeuwin Barracks Divestment with Department of Defence and consultants to deliver Planning Scheme Admendments • Major planning developments underway including: <ul style="list-style-type: none"> • Royal George Hotel – restoration and redevelopment • Former Woodside Maternity Hospital (Dalgety Street) – restoration and construction of aged care facilities • Roofing 2000 – development proposal to provide apartments and commercial opportunities 		
3.2 Maintaining and enhancing the Town’s character	3.2.1 Ensure appropriate planning policies to protect the Town’s existing built form	Community perception of value of the Town’s preservation of character
2020 / 21 Achievements <ul style="list-style-type: none"> • Scheme Amendment 14 – Roofing 2000 site (91-93 Canning Highway) – approved by the Minister for Planning and redevelopment plans under preparation • Scheme Amendment 17 (7-27 Canning Highway) – Council initiated the Scheme Amendment for advertising to reflect the Town’s position, guiding future development • Draft Local Planning Strategy finalised • Urban Streetscape and Public Realm Style Guide endorsed by Council 		
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: 0.34 • Asset Consumption Ratio: 0.98 • Asset Renewal Funding Ratio: 1.37 Ratios indicate all Town assets are well maintained and in good order
	3.3.2 Optimal management of assets within resource capabilities	
	3.3.3 Plan and advocate for improved access and connectivity	
2020 / 21 Achievements <ul style="list-style-type: none"> • Strategic Resource Plan (Long Term Financial Plan – 15 yrs) under implementation • Funding strategies under development for delivery of capital works such as redevelopment of East Fremantle Oval • Development of Integrated Traffic Management and Movement Strategy - under consideration by Council 		

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."

As part of the Town's commitment to sustainability, it funded the Native Plant Subsidy Scheme



Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
<p>4.1 Conserve, maintain and enhance the Town's open spaces</p>	<p>4.1.1 Partner with stakeholders to actively protect, conserve and maintain the Swan River foreshore</p> <p>4.1.2 Plan for improved streetscapes, parks and reserves</p>	<ul style="list-style-type: none"> • Community perception of value of the Town's conservation and management • Recycling Rates – kilogram per capita (maintain and aim to improve) • Waste to landfill – kilograms per capita (maintain or decrease)
<p>4.2 Enhance environmental values and sustainable natural resource use</p>	<p>4.2.1 Reduce waste through sustainable waste management practices, including effective community and business education</p>	
<p>4.3 Acknowledge the change in our climate and understand the impact of those changes</p>	<p>4.3.1 Improve systems and infrastructure standards to assist with mitigating climate change impacts</p>	
<p>2020/21 Achievements</p> <ul style="list-style-type: none"> • John Tonkin Reserve headlands works co-funded with State Government (DBCA), including replacement/construction of new rock headland, upgraded drainage and importation of 200 cubic metres of sand, plus new revegetation - project now complete • Successful completion of year one of FOGO rollout • Resource Recovery Group (formerly SMRC) awarded tender for waste-to-energy – Town considering participation within contract • Continued waste management partnership with RRG and successful joint campaigns to reduce waste and optimise FOGO and recycling • Key targets met, including: <ul style="list-style-type: none"> • Green waste collection diversion rate of 100% • Diversion rate of mixed solid waste was 65% of total waste (State's waste diversion target of 65% of all waste by 2020) • Recycling diversion rate was 84%, well above the State diversion target • Action on Climate Change: <ul style="list-style-type: none"> • Climate Action Reference Group formed in 2020 - Strategic Objectives developed and endorsed by Council, including Climate Energy Strategy and Sustainable Event Policy among other initiatives being developed 		

Strategic Priority 5

LEADERSHIP & GOVERNANCE

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

The Town's approach to sustainability is guided by the Climate Action Reference Group



Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
5.1 Strengthen organisational accountability and transparency	5.1.1 Strengthen governance, risk management and compliance 5.1.2 Ensure an effective engagement with community and stakeholders 5.1.3 Improve the efficiency and effectiveness of services	<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 • % of customer requests/enquiries responded to within target timeframes • Financial ratio levels for benchmarking of local governments
5.2 Proactively collaborate with the community and other stakeholders	5.2.1 Foster and promote strategic collaborative relationships with neighbouring LGAs, State and Federal government representatives and agencies and NGOs	
5.3 Strive for excellence in leadership and governance	5.3.1 Deliver community outcomes through sustainable finance and human resource management 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	



Strategic Priority 5

LEADERSHIP & GOVERNANCE

The community gathered at the unveiling of a new public art installation recalling the Town's horse racing history on 1 August 2020



2020 / 21 Achievements

Business System Improvements and Continuity Assured

The Town has continued its strong record of financial management with an unqualified Audit expected in 2020/21. Enhancements have been made to governance including review/endorsement of Delegated Authority Register in April 2020. Implementation of the Town's new Record Keeping Improvement Plan and Business Improvement Program including new payroll system successfully rolled out across the organisation.

Business Continuity Plan deployed during COVID-19 including remote working arrangements and online services provided during Town Hall closures caused by the pandemic.

Improvements in Services for Residents

Customer Service Improvement Project well underway with good results already achieved including:

- Ongoing improvements to customer service systems and processes, new personnel and deployment of Customer Service Charter
- Customer service statistics now shared monthly online to increase transparency and visibility of service standards
- Implementation/integration of Snap Send Solve app for reporting of external maintenance requests in the Town
- New Fact Sheets covering 36 content areas – now available in hard copy and online
- New three-year Library Services Agreement in place, new Library scheduled to open in December 2021
- Online services and payments including e-rates, pet registration renewals, building application lodgements and tracking
- Ongoing enhancements for Town Business Enterprise System and internal reporting mechanisms
- Customer service system improvements have resulted in First Call Resolutions rising from 56% to 74%

Advocacy and leadership

Continued collaboration with SWG and SMRC on waste management, business systems, environmental and river management and key transport issues including the Swan River Crossings project plus Smart Cities technology.

Building and Developing a Strong Team

- Workforce Plan review implemented - new employees including Community Engagement Officer, Manager Assets and Infrastructure
- Implementation of Communications and Engagement Strategy (endorsed August 2020) yielding strong results - doubling of readership of e-news which is #1 rated in WA LGAs
- Town developed and implemented Definitiv payroll system, generating savings and efficiencies in staff time
- Implementation of E-Learning Platform LEARN RITE, including online performance appraisals

Working the RITE way – embedding workplace safety and health and our values of Respect, Integrity, Teamwork, Empathy

- Values project developed and being implemented incorporating internal communications, Town Culture Club, recruitment, workplace health and safety
- WSH Committee prioritised reflecting new workplace health and safety challenges re: COVID-19/business continuity

Fast Facts 2020-2021



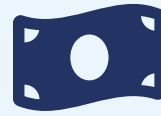
3,280
residential dwellings



7,908
Population



Rates
\$7.99m



Total operating
revenue \$10.63m



50 staff



42 citizens
affirmed



140 Development
applications worth
\$27,346,739



The average
processing time for
planning applications
was 38 days



Building Permit
applications – 186



Total Development
Value: \$21,763,096



Registered cats - 290



Registered dogs –
1,129



Foodsafe audits – 4



Foodsafe Online
training – 13 food
handlers



Public building
Inspections – 10



Public Swimming
Pool samples – 16



River samples – 18



210,000m2 of parks
maintained:21 ha



1,600m2 of footpath
upgrades



46kms of roads
swept



4km of Swan River foreshore maintained
100,000m2 of natural bushland cared for
including at Locke Crescent, Niergarup Track
and Jerrat Drive cliff top



Communication and Community Engagement

The Town has significantly expanded its commitment to and delivery of communications and engagement in 2020/21. In July 2020, the Town's Communication and Engagement Strategy was refined and formally adopted and is generating strong results – in the words of one of our elected officials: "is transforming, and has transformed, the Town's relationship with the community". Highlights of our achievements include:

E-Newsletter – The E-Newsletter is produced and circulated to subscribers on a monthly basis and provides information and links to relevant and timely information on the Town's website. The community perception survey conducted by CATALYSE in April 2021 revealed that the Town has the highest rated e-newsletter in the sector in WA, which is read by 2,500 people on a monthly (and often more regular) basis.

Website – the Town has made significant improvements to the website by implementing the findings of an independent audit into its

functionality and accessibility and has put in place a new framework for quarterly content checks, as well as appointing content champions from among our team of talented content experts. Funding has been allocated for a complete overhaul of the site within the next year. To follow our progress, visit www.eastfremantle.wa.gov.au.

Social Media – the Town has a twin presence on Facebook in its own right and as the curator and organiser of East Fremantle's George Street Festival. The readership of both pages is growing strongly, and together reaches over 7,000 people. During the year, the Town launched its Instagram feed that now reaches over 1,000 people, as well as a revamped presence on LinkedIn which we use for corporate messaging. We also commissioned new videos to share our achievements in an engaging and contemporary way via YouTube, and we were the first WA local government to develop our own TikTok channel. Stay tuned as we develop our presence in these growing channels.



Filming at Riverside Road



Town Hall Open Days were well attended - pictured here are Peter and Bron from Corporate Services

Town Hall Open Days

The Town developed a new model for engagement in late 2020 that reflects the scope and scale of the many important projects underway that are led both by the Town and external partners. Open Days were held in August 2020 and March 2021 and were well attended and well-received by our community.

Community Engagement – during 2020/21 the Town's capacity in this area lifted following the completion of training by several staff in the best practice models and principles of the International Association for Public Participation (IAP2). Although many events were cancelled due to COVID-19, fun gatherings were held at Christmas, and during special events for our youth and seniors, and at Christmas time.

Capacity Building – In March 2021, the Town farewelled Karen Dore, who worked tirelessly and with great energy across many projects in the Town (pictured here on graduating with her Diploma in Community Development). We thank her for her enormous contribution over many years. In June 2021 the Town welcomed Carly Filbey into the newly created position of Community Engagement Officer, and already her strong experience in events and local government is recognised.

Community Engagement Officer Carly Filbey was appointed in June 2020



Coordinator Community Engagement, Karen Dore, receiving her Diploma of Community Development from The Hon David Templeman MLA, then Minister for Local Government



Corporate Services

The Corporate Services team is a multidisciplinary business unit that manages and oversees the Town's finances and systems, as well as leading and coordinating our Ranger and Customer Services for our community. The Corporate Services Department is responsible for a diverse range of internal and external services ranging from Neighbourhood Link (Aged Care Services), Ranger Services, Customer Services, Financial Services including Rates, Records Management, Information Technology, Leasing and Contracts. Below is an overview of some of these services, and a listing of achievements and activities for the 2020/21 financial year.

Neighbourhood Link Services

Neighbourhood Link provides personalised support service that allow clients to get the most out of life and stay active, independent, and connected. As part of our personalised approach, we work in partnership with clients and caregivers to meet their needs and foster independence. Support is offered to eligible clients over the age of 65 years through the Commonwealth Home Support Program (CHSP). An assessment is required through My Aged Care for eligibility. Clients receiving a Home Care Package (HCP) may also access these services through a brokerage agreement with Neighbourhood Link and the clients Home Care Package provider.

Ranger Services

Ranger Services are responsible for managing compliance with State Government Legislation and Local Government Local Laws, including the Dog Act, Cat Act, Litter Act, Bushfires Act, Local Government Act and Parking Local Laws. The breadth of responsibility is very significant.

To assist the community in understanding the requirements under different legislation, numerous Fact Sheets were developed during the 2020/21 financial year and are available on the Town's website:

- Dog Exercise Areas
- Nuisance Barking Dog
- Untethered Vehicles

- School Parking
- Skip Bin Permit
- Barking Dog Card
- Dog and Cat Registrations

The Town is focused on community education and voluntary compliance resulting in 2,817 cautions being issued in the report year, compared to 1,032 infringement notices. Ranger Services also captured 467 graffiti reports and 574 maintenance reports.

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. Numerous documents were produced in the report year to support the Town's commitment under this Charter, including Fact Sheets on such subjects as rates, parks and reserves, parking, and venue hire, and the location of defibrillators in the Town, to name a few.

As part of our focus on continuous improvement, the team are focused on enhancements to the services we offer our residents, with the following enhancements made during 2020/21.

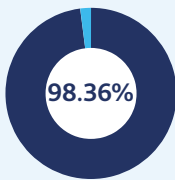

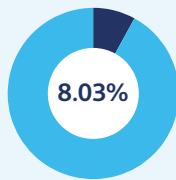





- Customer Service Request procedures
- Reserve Hire Booking Form
- Skip Bin Permit Form
- Monthly Stats Reports
- Building Maintenance Form
- Mooring Pen Form
- Launching Ramp Permit Form
- Dog Registration Form

Our busy team processed 5,765 customer service requests in the report year and registered 21,256 corporate records.



Mayor O'Neill with Bron and Rachael receiving the Town's new bus during Volunteers Week, May 2020

Financial and Other Services - Fast Facts

 <p>98.36%</p>		 <p>8.03%</p>	
<p>The Town collected 98.36% of rates levied including arrears</p>	<p>The Town made a total of 2,047 payments and processed 3,538 supplier invoices</p>	<p>8.03% of payments were made to businesses with an East Fremantle post code</p>	<p>The Town provided direct funding of \$238k to community groups and sporting clubs</p>
			
<p>Staff reviewed and implemented 60+ internal financial and audit controls</p>	<p>Staff manage 24 lease and community license agreements</p>	<p>Staff processed 53 maintenance requests under tenure agreements</p>	<p>The Town prepared and administered 5 funding agreements with community groups</p>

Technical Services and Operations

The Technical Services team oversees, manages, and maintains the Town's infrastructure including roads, streets, footpaths and verges, parks and reserves, waterways and foreshore and the maintenance of the Town's built assets.

New Management

The most significant change that took place during the year was the departure of Steve Gallagher as Manager Operations and the commencement of Nicholas King as Executive Manager Technical Services. We thank Steve for his many years of service to the Town. Following his departure we are already seeing major changes in the strategic direction in this area, with the creation of a new position of Supervisor – Infrastructure and Assets, now filled by James Morrison, to support Nick. Both come to the Town with a wealth of local government experience which is already being put to good use.

Field Staff

The staffing complement remains in place, and they have successfully implemented a new, digital method of tracking and recording their time in the field, which is generating administrative savings for the team. The crew provide invaluable support to the administrative team across a broad range of areas, and this will only continue.

Upgrades to Riverside Road and Niergarup Track

The highest profile and most prominent project delivered by the team during 2020/21 was the completion of the Riverside Road upgrades, worth \$1.9 million, two-thirds of which was funded through grants from Main Roads. The Town conducted extensive community consultation on the landscaping plan, and the species choice was guided through input from industry experts and prioritised local and native species that are waterwise and fauna-friendly. Significant works were also undertaken on the Niergarup Track, including the upgrading of the limestone walkway and a landscaping plan which was developed but has been postponed until the next planting season begins in mid-2022.

Footpath Upgrades

Major progress has been made on the implementation of the upgrades to the Town's network of footpaths, a process that began in 2019. During this year, improvements were made to Stratford Street (north of Canning Highway), Fortescue Street footpath upgrade, south of Canning Highway, and further works in this area will be ongoing.

John Tonkin Foreshore

The Town's Operations staff completed a multi-year project to upgrade the foreshore at John Tonkin Reserve, including enhancements to the river groyne and beach inlet, which we know is a well-used local spot given its proximity to the river, cafes, and playgrounds. The Town co-funded this work with the majority of resources coming via the Department of Biodiversity, Conservation and Attractions. We are grateful for their ongoing support.

Silas Street Reserve Dog Park

During COVID-19, the need to walk and conduct socially-distance appropriate exercise was highly important, and with this in mind, the Town identified the need for an off-leash park where residents could walk their dogs. To deliver this, Silas Street Reserve is now a dog park and is already very popular with residents. Part of this project included installing and reorienting the seating in the park so that visitors can face towards it, and improvements to the overall amenity.

Parks and Reserves

Lee Park is now well-irrigated and maintained following the replacement of the bore in that park – this is one of many waterwise initiatives undertaken by the Town that balances the maintenance of green spaces with using precious water resources efficiently.



Newly upgraded footpaths

Infrastructure Upgrades

The team had significant input into the planning and technical aspects of major infrastructure upgrades in the Town, partnering with Main Roads' community engagement on the Swan River Crossings (replacement/redesign of bridges spanning the Swan River), Water Corporation (Pipes for Perth – urgent upgrades to the water pipes running under the Town adjacent to Canning Highway) and others, including plans to replace the Town's lighting with LEDs and a major overhaul of the drainage system.

The team had significant input into the planning and technical aspects of major infrastructure upgrades in the Town



Safe and efficient movement through our Town is important to our residents



Regulatory Services – Town Planning and Building

Town Planning

During 2020/21 the Town's Regulatory Services team continued the important work of protecting the environment, aesthetic value, heritage, and overall character of the Town. Major headway on several important strategic projects was made by Council. Other projects were commenced that will guide and shape the Town's built environment beyond 2021 including:

- The Local Planning Strategy;
- Heritage Area Precincts;
- Local Commercial Centres Needs Assessment and Strategy;

It is expected these projects will continue to strengthen the Town's overall planning framework. The following projects were completed in 2020/2021:

Urban Public Realm and Streetscape Style Guide

The Urban Streetscape and Public Realm Style Guide is a design guide that combines three documents; the Contextual document, the Urban Streetscape and Public Realm Style Guide (Style Guide) and the Precinct Pamphlets which together provide a set of appropriate and consistent design guidelines for the road reserves, footpaths and public spaces and includes such aspects as materials, verges, and public furniture.

The Town undertook an extensive engagement strategy prior to finalising the Guide. The submissions received were generally supportive of the document and provided useful additional information and suggestions. Council in December 2020 endorsed the suite of documents for implementation and the Operations Department is actively working with the documents to improve the Town's streets and verges.

Scheme Amendment 14 for the Roofing 2000 site was approved by the Minister for Planning in January 2020. Plans for the redevelopment of the site are now being prepared.

Scheme Amendment 17

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

The intent of the Scheme Amendment is to allow for more intensive residential development of these six lots most likely in the form of apartments. The future redevelopment of the lots would be guided by a Local Development Plan (to be prepared). It is envisaged that redevelopment would occur at a density of Residential R80 which could facilitate the development of approximately 29 apartments and/or town houses in buildings ranging from two to four storeys.

The Department of Defence (Defence) advises that they are temporarily suspending the disposal of Leeuwin Barracks to allow for a study of the long-term Defence estate requirements in the Perth and Fremantle region. The study is expected to be completed by the first quarter of 2022, and pending the findings, Defence will inform the community about the outcome for the future use of Leeuwin Barracks. For updates, visit: defence.gov.au/id/propertydisposals/Leeuwin.asp



The preservation of the style of historic George Street precinct, and other key zones in the Town, was protected in the Urban Streetscape and Public Realm Style Guide

Community members and stakeholders will be invited to attend these community consultation workshops to learn more about the site, speak with the project team and share their thoughts about the Development Principles. The consultation workshops were to be scheduled for the first half of 2020. However, with the social distancing measures and other constraints in place as a result of COVID-19, the workshops will be rescheduled at an appropriate time. Defence and the Town look forward to re-engaging with the community and stakeholders and will provide further updates in due course.



Environmental, Waste Reduction and Climate Change

Action on Climate Change

Over the last year, the Town has continued to work towards a green and sustainable future for East Fremantle. In November 2019 the Town of East Fremantle recognised the Climate Emergency and supported the community call for action on climate change on both a local and international level. Furthermore, as a result of the Annual Electors meeting on 17 March 2020 the Town resolved to form a Climate Action Reference Group (CARG) to assist with the formation of a Climate Emergency Strategy and Climate Emergency Action Plan. Then in June 2020, a call was made for expressions of interest to form the CARG whose task is to:

- Assist in identifying targets, projects, and actions that the Town and its community can undertake to assist with meeting the challenges of the future in relation to climate change.
- Act as a conduit between the Council and community in providing recommendations to assist the Town in developing a Climate Emergency Strategy, Climate Emergency Action Plan and provide expertise and opinion on other sustainability issues.

On 20 July 2020, Council formally accepted the Strategic Objectives formulated by the Climate Action Reference Group. These Strategic Objectives will feed into the Climate Emergency Strategy which is planned to be completed by the end of 2021. The Strategy will be a guiding document providing the framework for Council to address the climate emergency. It will be the first part of Council's three-step response:

Step 1 Climate Emergency Strategy

Includes visions and high-level goals to set the direction for how Council responds to the climate emergency.

Step 2 Climate Emergency Action Plan

Includes detailed programs, projects, and actions to meet the high-level goals and visions set out in the Climate Emergency Strategy, including budgetary costings

Step 3 Implementation

Puts the programs, projects, and actions in place.

Waste


Since the rollout of the Three Bin Food Organics, Garden Organics (FOGO) service in July 2019, the Town has continued to provide residents with ongoing education and support to ensure low contamination across all waste streams. In total, the Town has provided the FOGO waste service to over 96% of residential properties and provided the service to a number of commercial businesses and community groups. To aid residents and to reduce contamination the Town has continued to provide free compostable liners to residents and has provided over 700 rolls of compostable liners to residents in the last financial year alone.

To further improve recovery rates, the Southern Metropolitan Regional Council provided bin tagging to over 1,000 properties in the Town aimed at improving behaviour relating to correct waste separation.



Bulk and Green Waste

164
Mattresses recycled
through Soft Landings



233 tonnes
of Green Waste

122 tonnes
bulk waste collected



Fremantle Recycling Centre

- 

Town partnered with Fremantle Recycling Centre for third year
- 

Highest visitation Jan 2020 (280 visits)
- 

HHW site opened at Fremantle Recycling Centre
- 

Fremantle Recycling Centre opens as a Container Deposit facility
- 

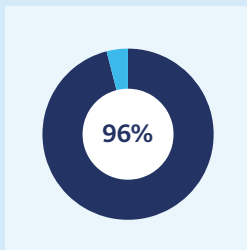
Town staff worked with City of Fremantle to deliver Containers for Change bins to Richmond Primary School, East Fremantle Town Hall, and Depot, as well as various businesses and community groups across the Town



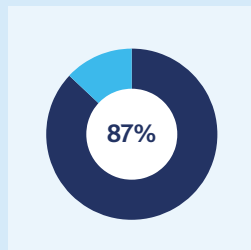


Caring for our Swan River foreshore, Town awarded significant funds for Coastal Hazard Risk Management Adaptation Plan

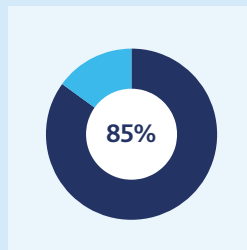
Key Facts on Sustainability



FOGO waste service provided to 96% of residential properties in the Town as well as businesses and community groups



87% recovery on Food Organics Garden Organics (FOGO) bin



85% recovery on Recycling (Yellow top recycling bin)



2 rounds of bin tagging to over 1,000 properties across the Town



700 rolls of compostable liners provided to residents free of charge



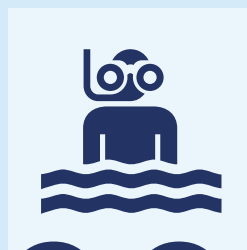
\$47,00 in funding for the implementation of the Town's Waste Plan



SMRC Winner Waste Sorted Awards for 20-year project Regional Resource Recovery Centre (April 2021)



Collection of
104kg of bottle tops
115kg of bottles
25kg of light bulbs
23kg of printer cartridges



2 dive cleanups removing over 500k of waste from the Swan River



The Town planted hundreds of new trees during 2020/21

Sustainability in Action



Waterwise Council Award from WaterCorp – August 2020. Town endorsed as a Waterwise Council for a second year



Partnered with Plastic Free July in 2020 for the second year



Development of Waterwise Verge Policy, Sustainable Event Policy and Pool and Spa Cover Policy



Operations planted 80 verge trees and 90 park trees



Awarded \$47,500 in funding for a Coastal Hazard Risk Management Adaptation Plan



Annual Native Plant Sale in May 2021



Sustainability Tent at East Fremantle Youth Festival showcasing FOGO potting mix and native plants from APACE nursery

Environmental Health

COVID-19 response procedures implemented at Council Facilities, including:

- Pandemic Plan activated during snap lockdowns in February and April 2021 ongoing provision of QR codes
- Hand sanitiser available for all staff and Council vehicles and masks
- Metropolitan Environmental Health Managers Group (MEHMG) Meetings
- PEHO attended the inaugural combined District Emergency Management Committee (DEMC) meeting and Navitas training exercise



Community Health and Safety

Physical Health



Launch of Move Your Body event hosted at the East Fremantle Tennis Club (February 2021)



Disability and Access Inclusion Plan – endorsed by Council (February 2021)



Flu vaccination for 35 staff (March/April 2021)



All staff attended disability Awareness Training (Autism) at the Town Hall in (April 2021)



South Metropolitan Public Health Service Injury Matters, City of Fremantle and City of Melville



Skin checks completed for 30 staff (June 2021)

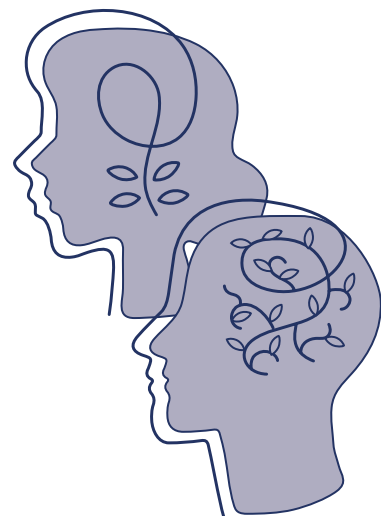


Feel Good February Staff Calendar developed

Mental Health

Attendance at a Local Government workforce Risk Forum (April 2021) which aimed to assist with:

- Creating happy and resilient teams and productive workplaces
- Methods to improve psychological health and stress management
- Men's mental health event for World Mental Health Day with a guest speaker from Bouncing Back and whole of staff attendance at a morning tea
- Attendance at a Mental Health Promotion Forum delivered by South Metropolitan Health Service in partnership with the Mental Health Commission, aimed at Mental Illness, Alcohol and Other Drug Prevention to help guide local governments to increase optimal mental health and wellbeing (May 2021)





Community Health and safety is a high priority

Community Health - Fast Facts



Food Poisoning Investigation – two cases at a local premise – E coli and Campylobacter



Notification of Notifiable Diseases – 2 cases of Ross River Virus



High and medium risk food premises inspections = 38



Low risk food premises inspections = 9



Foodsafe audits = 4



Foodsafe Online training = 13 food handlers



Public building inspections = 10



Public swimming pool samples = 16



River samples = 18



Asbestos samples = 5



Statutory Reports

Record Keeping Plan (RKP)

The Town undertook the 5-year statutory review of the RKP in 2018, which was approved by State Records in November 2018. The RKP includes a 5-year improvement plan, which has commenced. The RKP will be benchmarked against the Western Australian Auditor General Report of Record Management in Local Government (April 2019). The RKP addresses the six recordkeeping principles each of which contains minimum compliance requirements:

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

National Competition Policy

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

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

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

These are:

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

In accordance with the requirements of the National Competition Policy, the Town of East Fremantle makes the following disclosures for 2020/21.

Competitive Neutrality

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

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

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is zero. During the reporting period the Town did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Town.

Legislative Review

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

Structural Reform of Public Monopolies

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

Register of Complaints (Rules of Conduct)

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

Employee Remuneration

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

The number of employees with an annual salary entitlement that falls within each band for 2020 is as follows:

\$130,000 - \$140,000	1
\$140,000 - \$150,000	1
\$150,000 - \$160,000	1
\$170,000 - \$180,999	0
\$180,000 - \$190,000	0
\$190,000 - \$200,000	1

Local Laws

The Town currently has nine (9) Local Laws:

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

In the year under review 1,147 infringements and 3,279 cautions were issued in relation to breaches of local laws. 2,817 cautions being issued in the report year, compared to 1,032 infringement notices. Ranger Services also captured 467 graffiti reports and 574 maintenance reports.



Ward Map



ANNUAL FINANCIAL REPORT

For the year ended 30 June 2021



The Town received an unqualified audit report for the year ended 30 June 2021



TOWN of
EAST FREMANTLE

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Statement by Chief Executive Officer

For the year ended 30 June 2021

**TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of East Fremantle for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Town of East Fremantle at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 9th day of DECEMBER 2021



Chief Executive Officer

Gary Tuffin

Name of Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	7,988,354	7,997,275	8,049,151
Operating grants, subsidies and contributions	2(a)	1,167,731	1,175,019	1,254,252
Fees and charges	2(a)	1,333,141	1,187,609	1,204,084
Interest earnings	2(a)	49,133	120,000	139,330
Other revenue	2(a)	92,210	37,500	58,296
		<u>10,630,569</u>	<u>10,517,403</u>	<u>10,705,113</u>
Expenses				
Employee costs		(4,059,144)	(4,173,445)	(4,482,185)
Materials and contracts		(3,748,551)	(4,279,617)	(4,088,907)
Utility charges		(318,407)	(299,300)	(304,475)
Depreciation on non-current assets	10(b)	(2,513,795)	(1,578,900)	(1,804,235)
Interest expenses	2(b)	(19,150)	(14,960)	(24,169)
Insurance expenses		(187,201)	(180,320)	(178,282)
Other expenditure	2(b)	(692,904)	(442,520)	(551,454)
		<u>(11,539,152)</u>	<u>(10,969,062)</u>	<u>(11,433,707)</u>
		(908,583)	(451,659)	(728,594)
Non-operating grants, subsidies and contributions	2(a)	180,505	180,000	958,842
Profit on asset disposals	10(a)	1,430	0	2,210
(Loss) on asset disposals	10(a)	(80,927)	0	(37,165)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	0
Share of net profit of associates accounted for using the equity method	24(a)	324,767	0	21,238
		<u>428,361</u>	<u>180,000</u>	<u>945,125</u>
Net result for the period		(480,222)	(271,659)	216,531
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(9,702,402)	0	5,789,215
Share of comprehensive income of associates accounted for using the equity method	24	10,468	0	140,704
Total other comprehensive income for the period		(9,691,934)	0	5,929,919
Total comprehensive income for the period		(10,172,156)	(271,659)	6,146,450

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



Statement of Comprehensive Income by Program

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		11,485	10,000	10,107
General purpose funding		8,370,582	8,325,928	8,522,541
Law, order, public safety		30,692	33,200	31,003
Health		17,847	13,409	14,826
Education and welfare		753,984	713,766	885,563
Housing		83,451	84,000	82,093
Community amenities		251,420	205,000	192,596
Recreation and culture		541,058	648,800	413,971
Transport		351,452	353,800	406,317
Economic services		122,789	80,500	84,024
Other property and services		95,809	49,000	62,072
		10,630,569	10,517,403	10,705,113
Expenses				
	2(b)			
Governance		(1,313,244)	(1,198,448)	(1,295,064)
General purpose funding		(108,820)	(155,287)	(245,822)
Law, order, public safety		(184,664)	(175,539)	(161,607)
Health		(213,215)	(215,419)	(187,211)
Education and welfare		(1,034,104)	(1,116,999)	(1,064,095)
Housing		(41,007)	(45,320)	(37,517)
Community amenities		(2,614,943)	(2,736,038)	(2,853,772)
Recreation and culture		(2,910,620)	(2,334,470)	(2,503,568)
Transport		(2,768,421)	(2,703,195)	(2,678,934)
Economic services		(135,276)	(115,287)	(109,235)
Other property and services		(195,688)	(158,100)	(272,713)
		(11,520,002)	(10,954,102)	(11,409,538)
Finance Costs				
	2(b)			
Community amenities		(11,172)	(14,960)	(15,311)
Recreation and culture		(7,978)	0	(8,858)
		(19,150)	(14,960)	(24,169)
		(908,583)	(451,659)	(728,594)
Non-operating grants, subsidies and contributions	2(a)	180,505	180,000	958,842
Profit on disposal of assets	10(a)	1,430	0	2,210
(Loss) on disposal of assets	10(a)	(80,927)	0	(37,165)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	0
Share of net profit of associates accounted for using the equity method	24(a)	324,767	0	21,238
		428,361	180,000	945,125
Net result for the period		(480,222)	(271,659)	216,531
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(9,702,402)	0	5,789,215
Share of comprehensive income of associates accounted for using the equity method	24	10,468	0	140,704
Total other comprehensive income for the period		(9,691,934)	0	5,929,919
Total comprehensive income for the period		(10,172,156)	(271,659)	6,146,450

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

Statement of Financial Position

As at 30 June 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,711,886	3,316,938
Trade and other receivables	6	294,462	646,018
Other assets	7	61,327	34,570
TOTAL CURRENT ASSETS		4,067,675	3,997,526
NON-CURRENT ASSETS			
Trade and other receivables	6	64,586	73,901
Other financial assets	5	73,807	71,221
Investment in associate	24(a)	1,429,853	1,094,618
Property, plant and equipment	8	32,347,125	33,495,255
Infrastructure	9	38,921,827	49,031,948
Right-of-use assets	11(a)	276,841	319,009
TOTAL NON-CURRENT ASSETS		73,114,039	84,085,952
TOTAL ASSETS		77,181,714	88,083,478
CURRENT LIABILITIES			
Trade and other payables	13	1,192,841	2,080,598
Other liabilities	14	328,153	0
Lease liabilities	15(a)	37,499	36,635
Borrowings	16(a)	104,343	177,797
Employee related provisions	17	667,795	698,807
TOTAL CURRENT LIABILITIES		2,330,631	2,993,837
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	253,765	286,288
Borrowings	16(a)	174,953	204,842
Employee related provisions	17	95,032	99,022
TOTAL NON-CURRENT LIABILITIES		523,750	590,152
TOTAL LIABILITIES		2,854,381	3,583,989
NET ASSETS		74,327,333	84,499,489
EQUITY			
Retained surplus		33,798,518	34,273,282
Reserves - cash backed	4	985,793	991,251
Revaluation surplus	12	39,543,022	49,234,956
TOTAL EQUITY		74,327,333	84,499,489

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



Statement of Changes in Equity

For the year ended 30 June 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		32,853,826	2,194,176	43,305,037	78,353,039
Comprehensive income					
Net result for the period		216,531	0	0	216,531
Other comprehensive income	12	0	0	5,929,919	5,929,919
Total comprehensive income		216,531	0	5,929,919	6,146,450
Transfers from reserves	4	1,239,407	(1,239,407)	0	0
Transfers to reserves	4	(36,482)	36,482	0	0
Balance as at 30 June 2020		34,273,282	991,251	49,234,956	84,499,489
Balance at 1 July 2020		34,273,282	991,251	49,234,956	84,499,489
Comprehensive income					
Net result for the period		(480,222)	0	0	(480,222)
Other comprehensive income	12	0	0	(9,691,934)	(9,691,934)
Total comprehensive income		(480,222)	0	(9,691,934)	(10,172,156)
Transfers from reserves	4	746,331	(746,331)	0	0
Transfers to reserves	4	(740,873)	740,873	0	0
Balance as at 30 June 2021		33,798,518	985,793	39,543,022	74,327,333

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

Statement of Cash Flows

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,156,430	7,997,275	7,911,771
Operating grants, subsidies and contributions		1,236,629	1,090,716	1,254,252
Fees and charges		1,509,586	1,187,609	1,777,528
Interest received		49,044	120,000	151,816
Goods and services tax received		812,511	210,530	619,268
Other revenue		89,688	37,500	58,296
		11,853,888	10,643,630	11,772,931
Payments				
Employee costs		(4,106,243)	(4,173,445)	(4,432,636)
Materials and contracts		(5,308,750)	(4,279,617)	(4,189,481)
Utility charges		(318,407)	(299,300)	(304,475)
Interest expenses		(19,150)	(14,960)	(24,169)
Insurance paid		(187,201)	(180,320)	(178,282)
Goods and services tax paid		(138,290)	(210,530)	(112,418)
Other expenditure		(692,904)	(442,520)	(527,301)
		(10,770,945)	(9,600,692)	(9,768,762)
Net cash provided by (used in) operating activities	18	1,082,943	1,042,938	2,004,169
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(338,794)	(292,500)	(829,272)
Payments for construction of infrastructure	9(a)	(677,628)	(734,181)	(2,910,889)
Non-operating grants, subsidies and contributions	2(a)	439,760	180,000	958,842
Proceeds from sale of property, plant & equipment	10(a)	18,855	30,000	36,398
Net cash provided by (used in) investment activities		(557,807)	(816,681)	(2,744,921)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(100,821)	(95,160)	(98,059)
Payments for principal portion of lease liabilities	15(b)	(29,367)	0	(35,511)
Net cash provided by (used in) financing activities		(130,188)	(95,160)	(133,570)
Net increase (decrease) in cash held		394,948	131,097	(874,322)
Cash at beginning of year		3,316,938	2,313,114	4,191,260
Cash and cash equivalents at the end of the year	18	3,711,886	2,444,211	3,316,938

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

Rate Setting Statement

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	28 (b)	226,870	160,328	775,201
		226,870	160,328	775,201
Revenue from operating activities (excluding rates)				
Governance		11,485	10,000	12,317
General purpose funding		382,228	328,653	473,390
Law, order, public safety		30,692	33,200	31,003
Health		17,847	13,409	14,826
Education and welfare		755,414	713,766	885,563
Housing		83,451	84,000	82,093
Community amenities		251,420	205,000	192,596
Recreation and culture		541,058	648,800	413,971
Transport		351,452	353,800	406,317
Economic services		122,789	80,500	84,024
Other property and services		423,162	49,000	83,310
		2,970,998	2,520,128	2,679,410
Expenditure from operating activities				
Governance		(1,321,750)	(1,198,448)	(1,295,064)
General purpose funding		(108,820)	(155,287)	(245,822)
Law, order, public safety		(184,664)	(175,539)	(161,607)
Health		(213,215)	(215,419)	(187,211)
Education and welfare		(1,034,104)	(1,116,999)	(1,064,095)
Housing		(41,007)	(45,320)	(37,517)
Community amenities		(2,698,203)	(2,750,998)	(2,869,083)
Recreation and culture		(2,918,931)	(2,334,470)	(2,542,977)
Transport		(2,768,421)	(2,703,195)	(2,678,934)
Economic services		(135,276)	(115,287)	(109,235)
Other property and services		(195,688)	(158,100)	(279,327)
		(11,620,079)	(10,969,062)	(11,470,872)
Non-cash amounts excluded from operating activities	28(a)	2,268,742	1,578,900	1,869,546
Amount attributable to operating activities		(6,153,469)	(6,709,706)	(6,146,715)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	180,505	180,000	958,842
Proceeds from disposal of assets	10(a)	18,855	30,000	36,398
Purchase of property, plant and equipment	8(a)	(338,794)	(292,500)	(829,272)
Purchase and construction of infrastructure	9(a)	(677,628)	(734,181)	(2,910,889)
Amount attributable to investing activities		(817,062)	(816,681)	(2,744,921)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(100,821)	(95,160)	(98,059)
Payments for principal portion of lease liabilities	15(b)	(29,367)	0	(35,511)
Transfers to reserves (restricted assets)	4	(740,873)	(967,228)	(36,482)
Transfers from reserves (restricted assets)	4	746,331	591,500	1,239,407
Transfers to Restricted Assets (Unspent Grants)	14	(316,844)	0	0
Amount attributable to financing activities		(441,574)	(470,888)	1,069,355
Surplus/(deficit) before imposition of general rates		(7,412,105)	(7,997,275)	(7,822,281)
Total amount raised from general rates	27(a)	7,988,354	7,997,275	8,049,151
Surplus/(deficit) after imposition of general rates	28(b)	576,249	0	226,870

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

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Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The impact of adoption of these standards is described at Note 31.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	248,432	111,653	235,168
Education and welfare	601,748	601,566	759,088
Community amenities	43,554	26,000	28,923
Recreation and culture	239,466	402,000	157,803
Transport	34,531	33,800	73,270
	<u>1,167,731</u>	<u>1,175,019</u>	<u>1,254,252</u>
Non-operating grants, subsidies and contributions			
Transport	180,505	180,000	958,842
	<u>180,505</u>	<u>180,000</u>	<u>958,842</u>
Total grants, subsidies and contributions	<u>1,348,236</u>	<u>1,355,019</u>	<u>2,213,094</u>
Fees and charges			
Governance	130	0	157
General purpose funding	84,663	97,000	98,892
Law, order, public safety	30,692	33,200	31,003
Health	17,847	13,409	14,826
Education and welfare	152,233	112,200	126,475
Housing	82,249	81,000	80,153
Community amenities	207,867	179,000	163,673
Recreation and culture	275,214	232,800	237,548
Transport	316,923	320,000	332,327
Economic services	120,805	80,000	84,044
Other property and services	44,518	39,000	34,986
	<u>1,333,141</u>	<u>1,187,609</u>	<u>1,204,084</u>

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	882,205	864,566	826,353
Fees and charges	1,009,464	845,709	867,054
Other revenue	19,675	5,500	11,474
Non-operating grants, subsidies and contributions	180,505	180,000	958,842
	<u>2,091,849</u>	<u>1,895,775</u>	<u>2,663,723</u>

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

Revenue from contracts with customers recognised during the year	1,911,344	1,715,775	1,704,881
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	180,505	180,000	958,842
	<u>2,091,849</u>	<u>1,895,775</u>	<u>2,663,723</u>

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

Trade and other receivables from contracts with customers			
Contract liabilities from contracts with customers	11,309	0	0
Grant liabilities from transfers for recognisable non financial assets	259,255	0	0

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates
Statutory permits and licences
Fines
Waste refuse charges (additional services)

Assets and services acquired below fair value

Grants, subsidies and contributions

Other revenue

Reimbursements and recoveries
Other

Interest earnings

Interest on reserve funds
Rates instalment and penalty interest (refer Note 27(c))
Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	7,988,354	7,997,275	8,049,151
Statutory permits and licences	72,408	60,500	61,424
Fines	153,606	180,400	180,621
Waste refuse charges (additional services)	97,663	101,000	94,985
	8,312,031	8,339,175	8,386,181
Grants, subsidies and contributions	285,526	310,453	427,899
Reimbursements and recoveries	72,535	32,000	46,822
Other	19,675	5,500	11,474
	92,210	37,500	58,296
Interest on reserve funds	3,706	40,000	29,939
Rates instalment and penalty interest (refer Note 27(c))	37,046	30,000	70,914
Other interest earnings	8,381	50,000	38,477
	49,133	120,000	139,330

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Report		43,396	35,000	41,384
		43,396	35,000	41,384
Interest expenses (finance costs)				
Borrowings	16(b)	11,172	14,960	15,311
Lease liabilities	15(b)	7,978	0	8,858
		19,150	14,960	24,169
Other expenditure				
Impairment loss on trade and other receivables (infringements - AASB 1058)		15,858	0	10,500
Sundry expenses		677,046	442,520	540,954
		692,904	442,520	551,454

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	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
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	Leasing Mooring Pen	Single point in time	Payment in full in advance	Contract	Adopted by annually	Based on timing of entry to facility	Returns repayment of transaction on cancellation	On entry or at conclusion of hire
Fees & Charges - Property Leases	Leasing of Commercial or Residential Properties	Single point in time	Payment in full in advance	Contract	Adopted by annually	Based on timing of entry to facility	Returns repayment of transaction on cancellation	On entry or at conclusion of hire
Fees & Charges - Commonwealth Home Support Services	Aged Care Services	Single point in time	Payment in arrears for claimable event	None	Adopted by annually	Based on timing of provision of service	Not applicable	Output method based on provision of service or completion of works

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		2,227,221	1,571,852
Term deposits		1,484,665	1,745,086
Total cash and cash equivalents		3,711,886	3,316,938

Restrictions

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

- Cash and cash equivalents		1,302,637	991,251
		1,302,637	991,251

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

Reserves - cash backed	4	985,793	991,251
Contract liabilities from contracts with customers	14	57,589	0
Grants for transfers for recognisable non financial assets	14	259,255	0
Total restricted assets		1,302,637	991,251

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Closing Balance
(a) Non Current Leave Entitlements Reserve	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000
(b) Unspent Grants and Restricted Cash Reserve	0	0	0	0	0	0	0	0	0
(c) Vehicle, Plant and Equipment Reserve	91,627	(7,500)	84,127	91,627	0	84,127	171,247	0	91,627
(d) Aged Services Reserve	176,803	(165,000)	11,803	177,037	0	32,037	217,037	0	176,803
(e) Strategic Asset Management Reserve	491,049	(487,152)	7,542	502,567	40,000	442,567	615,677	36,482	491,049
(f) Arts and Sculpture Reserve	171,772	(15,000)	156,772	192,022	0	97,022	192,022	0	171,772
(g) Waste Reserve	0	0	0	0	0	0	200,308	0	0
(h) Committed Works Reserve	0	0	0	0	0	0	737,885	0	0
(i) Streetscape Reserve	50,000	25,000	75,000	50,000	25,000	75,000	50,000	0	50,000
(j) Drainage Reserve	0	150,000	150,000	0	150,000	150,000	0	0	0
(k) East Fremantle Oval Redevelopment Reserve	0	298,228	298,228	0	298,228	298,228	0	0	0
(l) Preston Point Facilities Reserve	0	100,000	35,821	0	100,000	100,000	0	0	0
(m) Foreshore Master Plan Reserve	0	0	0	0	75,000	(75,000)	0	0	0
(n) Sustainability and Environmental Reserve	0	90,000	90,000	0	80,000	60,000	0	0	0
(o) Town Planning Reserve	0	50,000	50,000	0	100,000	50,000	0	0	0
(p) Business Improvement Reserve	0	0	0	0	75,000	(75,000)	0	0	0
(q) Old Police Station Reserve	0	24,000	16,500	0	24,000	0	0	0	0
	991,251	740,873	985,793	1,023,253	967,228	1,398,981	2,194,176	36,482	991,251

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Non Current Leave Entitlements Reserve	30/06/2022	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.
(b) Unspent Grants and Restricted Cash Reserve	ongoing	To restrict unspent grants and contributions at end of year.
(c) Vehicle, Plant and Equipment Reserve	ongoing	To support the funding of vehicle, plant and equipment purchases.
(d) Aged Services Reserve	ongoing	To retain surplus CHSP program funds for future periods, and to fund all activities and assets relating to the provision of this service.
(e) Strategic Asset Management Reserve	ongoing	To fund the acquisition of new and renewal of existing Town infrastructure, buildings and other assets.
(f) Arts and Sculpture Reserve	ongoing	To provide for the commissioning and purchase of public art works in accordance with the Town's Public Arts Strategy.
(g) Waste Reserve	ongoing	To fund and support waste management services including but not limited to refuse collection, waste management initiatives and programs, infrastructure and buildings and legal expenses associated with waste management.
(h) Committed Works Reserve	ongoing	To transfer unspent municipal expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(i) Streetscape Reserve	ongoing	To implement Streetscape initiatives including the redevelopment of George Street.
(j) Drainage Reserve	ongoing	To fund drainage asset management requirements.
(k) East Fremantle Oval Redevelopment Reserve	ongoing	To fund all costs associated with the redevelopment of the East Fremantle Oval precinct.
(l) Preston Point Facilities Reserve	ongoing	To fund all costs associated with the implementation of the Preston Point Facilities Master Plan.
(m) Foreshore Master Plan Reserve	ongoing	To fund all costs associated with the implementation of the Foreshore Management Plan.
(n) Sustainability and Environmental Reserve	ongoing	To fund sustainability and environmental initiatives as well as support actions/recommendations from the Community Climate Action Plan.
(o) Town Planning Reserve	ongoing	To fund planning and building works associated with the protection and amenity of the built environment.
(p) Business Improvement Reserve	ongoing	To fund the implementation of business improvement initiatives including the Town's enterprise resource planning system.
(q) Old Police Station Reserve	ongoing	To receive the net income from the Old Police Station for building maintenance and renewal purposes.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	73,807	71,221
	73,807	71,221
	73,807	71,221
	73,807	71,221

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.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 29.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Loans receivable - clubs/institutions - Current	

Non-current

Pensioner's rates and ESL deferred	
Loans receivable - clubs/institutions - Non Current	

	2021	2020
	\$	\$
	162,223	320,511
	81,861	82,765
	73,736	250,242
	(26,358)	(10,500)
	3,000	3,000
	294,462	646,018
	46,586	52,901
	18,000	21,000
	64,586	73,901

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 29.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

	2021	2020
	\$	\$
Prepayments	37,041	31,324
Accrued income	24,286	3,246
	61,327	34,570

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.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

PROPERTY, PLANT AND EQUIPMENT

Movements in Balances

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

	Land \$	Buildings - non- specialised - Level 2 \$	Buildings - non- specialised - Level 3 \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Work in Progress \$	Total property, plant and equipment \$
Balance at 1 July 2019	4,451,000	50,350	487,562	21,703,329	26,692,241	265,486	959,175	0	27,916,902
Additions	0	0	54,763	379,647	434,410	52,584	342,278	0	829,272
(Disposals)	0	0	0	(6,615)	(6,615)	0	(64,738)	0	(71,353)
Revaluation increments / (decrements) transferred to revaluation surplus	(120,100)	6,475	75,134	5,827,706	5,789,215	0	0	0	5,789,215
Depreciation (expense)	0	(1,325)	(13,459)	(603,187)	(617,971)	(45,970)	(291,360)	0	(955,301)
Transfers	0	0	0	(13,480)	(13,480)	0	0	0	(13,480)
Balance at 30 June 2020	4,330,900	55,500	604,000	27,287,400	32,277,800	272,100	945,355	0	33,495,255
Comprises:									
Gross balance amount at 30 June 2020	4,330,900	55,500	604,000	27,287,400	32,277,800	318,070	1,226,453	0	33,822,323
Accumulated depreciation at 30 June 2020	0	0	0	0	0	(45,970)	(281,098)	0	(327,068)
Balance at 30 June 2020	4,330,900	55,500	604,000	27,287,400	32,277,800	272,100	945,355	0	33,495,255
Additions	0	0	0	34,415	34,415	85,921	204,458	14,000	338,794
Replacement/Renewal	0	0	0	34,415	34,415	6,973	194,158	0	235,546
New/Upgrade	0	0	0	0	0	78,948	10,300	14,000	103,248
(Disposals)	0	0	0	0	0	(8,506)	(17,758)	0	(26,264)
Depreciation (expense)	0	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(62,213)	(290,160)	0	(1,483,691)
Transfers	0	0	0	0	0	0	61,918	0	61,918
Assets expensed to P&L	0	0	0	0	0	0	(38,887)	0	(38,887)
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,302	864,926	14,000	32,347,125
Comprises:									
Gross balance amount at 30 June 2021	4,330,900	55,500	604,000	27,321,815	32,312,215	390,262	1,370,000	14,000	34,086,477
Accumulated depreciation at 30 June 2021	0	(1,387)	(47,402)	(1,082,529)	(1,131,318)	(102,960)	(505,074)	0	(1,739,352)
Balance at 30 June 2021	4,330,900	54,113	556,598	26,239,286	31,180,897	287,302	864,926	14,000	32,347,125

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

8. 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 2020	Price per hectare / market borrowing rate.
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 2020	Improvements to land using construction costs and current condition, residual values and remaining useful life assessment.
Buildings - non-specialised - Level 3	Level 3	Improvements to land using cost approach of depreciated replacement cost.	Independent Registered Valuers	June 2020	Improvements to land using construction costs and current condition, residual values and remaining useful life assessment.
Buildings - specialised - Level 3	Level 3	Improvements to land using cost approach of depreciated replacement cost.	Independent Registered Valuers	June 2020	Improvements to land using construction costs and current condition, residual values and remaining useful life assessment.

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

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

(ii) Cost

Furniture and equipment

Cost

Cost

Purchase cost

Plant and equipment

Cost

Cost

Purchase cost

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Footpaths & Cycleways	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	30,320,778	1,894,677	5,905,774	5,566,040	3,118,168	111,653	46,917,089
Additions	1,739,731	131,725	395,403	242,019	402,010	0	2,910,889
Depreciation (expense)	(444,106)	(38,148)	(199,100)	(90,430)	(33,448)	(4,278)	(809,510)
Transfers	0	0	13,480	0	0	0	13,480
Balance at 30 June 2020	31,616,403	1,988,254	6,115,557	5,717,629	3,486,730	107,375	49,031,948
Comprises:							
Gross balance at 30 June 2020	32,436,248	2,061,417	6,502,710	5,887,480	3,553,747	115,931	50,557,533
Accumulated depreciation at 30 June 2020	(819,845)	(73,163)	(387,153)	(169,851)	(67,017)	(8,556)	(1,525,585)
Balance at 30 June 2020	31,616,403	1,988,254	6,115,557	5,717,629	3,486,730	107,375	49,031,948
Additions	252,255	0	255,057	170,316	0	0	677,628
Replacement/Renewal New/Upgrade	252,255	0	184,583	170,316	0	0	607,154
	0	0	70,474	0	0	0	70,474
(Disposals)	0	0	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	(8,633,617)	2,263,408	(2,053,127)	(262,876)	(1,152,640)	116,450	(9,702,402)
Depreciation (expense)	(593,767)	(41,228)	(218,974)	(98,327)	(33,654)	(4,278)	(990,228)
Transfers			(61,918)				(61,918)
Assets expensed to P&L			(33,201)				(33,201)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	36,921,827
Comprises:							
Gross balance at 30 June 2021	22,641,274	4,230,434	4,101,110	5,526,742	2,300,436	219,547	39,019,543
Accumulated depreciation at 30 June 2021	0	0	(97,716)	0	0	0	(97,716)
Balance at 30 June 2021	22,641,274	4,230,434	4,003,394	5,526,742	2,300,436	219,547	36,921,827

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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

The Town of East Fremantle ('Town') is required to undertake a revaluation of their assets in accordance with the requirements of the Local Government (Financial Management) Regulations 1996. In the current financial year the Town has revalued Roads, Carparks, Drainage, Pathway, Parks and Bus Shelter assets. The Town engaged an independent expert to assist in the valuation of these assets. As shown in Note 9 the total revaluation decrement in the current financial year was \$9,702m. The Town relies on the expertise and professional judgement of the consultants they engage in undertaking the valuations and note that valuations may be subject to significant change.

During the 2020/21 process, consideration was given to:

- Applicable standards
- Asset inventory condition
- Asset componentisation
- Benchmarking of unit rates with other local governments

A significant change arose for the road and drainage assets due to a change in the estimation of unit rates for the calculations and change in the pattern of consumption applied to estimate the remaining useful life. Whilst the 2021 valuation has given rise to a significant decrease in the value of the assets, the Town considers the decrease to be a change in estimate in accordance with AASB 108. As a result of the uncertainties inherent in business activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information. Infrastructure assets in Local Government are 'deemed' to be 'specialised' assets with valuation based on level 3 inputs in accordance with AASB 13, which are unobservable inputs for the assets. Unobservable inputs require professional judgement. With the Town engaging and relying on the expertise of different consultants who make judgements based on the available information, for each valuation, the Town undertakes an internal process to obtain confidence in the process adopted and recommended by the consultant. In all cases this was adequately provided and evidenced in the valuation reports. Thus, the Town is satisfied that the current valuation is acceptable at this time.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

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.

Revaluation (Continued)

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	0	0	0	0	0	0	0	0	6,615	0	0	(6,615)
Furniture and equipment	8,506	0	0	(8,506)	0	0	0	0	0	0	0	0
Plant and equipment	56,645	18,855	1,430	(39,220)	30,000	30,000	0	0	64,738	36,398	2,210	(30,550)
Infrastructure - Parks & Ovals	33,201	0	0	(33,201)	0	0	0	0	0	0	0	0
	98,352	18,855	1,430	(80,927)	30,000	30,000	0	0	71,353	36,398	2,210	(37,165)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Education and welfare				
PEMV 234 - Mitsubishi Rosa Bus	17,425	18,855	1,430	0
Community amenities				
PE281 - Kitchen caddies & compostable liners	38,887	0	0	(38,887)
Recreation and culture				
PE184 - Wacker Vibrating Plate	333	0	0	(333)
	56,645	18,855	1,430	(39,220)
Furniture & Equipment				
Governance				
FE301 - Workstation computer replacements 17/18	8,506	0	0	(8,506)
	8,506	0	0	(8,506)
Infrastructure - Parks & Ovals				
Community Amenities				
LB264 - Mooring Pen Jetties	33,201	0	0	(33,201)
	33,201	0	0	(33,201)
	98,352	18,855	1,430	(80,927)

The above disposal of FE301 relates to a partial disposal of computer desktops that are no longer in use. The monitors that formed part of the original acquisition are still in use by the Town.

Fully depreciated asset disposals

The following assets were fully depreciated and disposed of during the year.

	2021 Gross Carrying Amount	2021 Accumulated Depreciation Amount	2021 Actual Net Book Value	2021 Actual Profit/ (Loss)
Plant and Equipment				
Community amenities				
PE138 - Recycling bins - 99/00	6,000	(6,000)	0	0
Recreation and culture				
PE262 - Vibrating Pedestrian Roller	2,500	(2,500)	0	0
PEMV261 - Ford Ranger Utility (Works)	18,000	(18,000)	0	0
Furniture & Equipment				
Other Property and Services				
FE221 - Depot Workstations & cupboard	1,000	(1,000)	0	0

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised - Level 2	1,387	1,400	1,325
Buildings - non-specialised - Level 3	47,402	47,500	13,459
Buildings - specialised	1,082,529	303,194	603,187
Furniture and equipment	62,213	44,051	45,970
Plant and equipment	290,160	280,097	291,360
Infrastructure - roads	593,767	503,158	444,106
Infrastructure - Drainage	41,228	40,000	38,148
Infrastructure - Parks & Ovals	218,974	220,000	199,100
Infrastructure - Footpaths & Cycleways	98,327	100,000	90,430
Infrastructure - Car Parks	33,654	35,000	33,448
Infrastructure - Bus Shelters	4,278	4,500	4,278
Right-of-use assets - Land - Property, plant and equipment	39,876	0	39,425
	2,513,795	1,578,900	1,804,235

Explanation of significant change in depreciation

Buildings - In 2019/20 the Town's buildings were revalued and this saw an overall reduction in remaining useful lives (RUL's) which meant an increase in depreciation rates. The average depreciation rate for buildings prior to revaluation was 2.6% and it is now 7.2%.

Roads - The Town capitalised \$1.5m of capital expenditure to depreciable components of road assets at 30 June 2020. This led to an increase in depreciation for 20/21.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	3 to 50 years
Furniture and equipment	2 to 20 years
Plant and equipment	2 to 20 years
Plant and equipment - Motor Vehicles - Light Fleet	4 to 10 years
Plant and equipment - Motor Vehicles - Heavy Fleet	5 to 10 years
Sealed roads, streets and carpark 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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Asset Class	Useful life
Parks and Ovals - minor structure polygon	10 to 70 years
Parks and Ovals - playground polygon	25 years
Parks and Ovals - amenities	20 to 25 years
Parks and Ovals - bin	15 to 20 years
Parks and Ovals - lighting	20 years
Parks and Ovals - playground point	15 to 25 years
Parks and Ovals - playground lines	40 to 70 years
Parks and Ovals - sign	15 to 40 years
Parks and Ovals - fence	25 to 70 years
Parks and Ovals - gate	15 to 40 years
Parks and Ovals - irrigation	30 to 35 years
Parks and Ovals - minor structure	20 to 25 years
Parks and Ovals - other improvements	20 to 25 years

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - Land - Property, plant and equipment	Right-of-use assets Total
	\$	
Balance at 1 July 2019	350,517	350,517
Additions	7,917	7,917
Depreciation (expense)	(39,425)	(39,425)
Balance at 30 June 2020	319,009	319,009
Adjustments	(2,292)	(2,292)
Depreciation (expense)	(39,876)	(39,876)
Balance at 30 June 2021	276,841	276,841

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(39,876)	(39,425)
Interest expense on lease liabilities	(7,978)	(8,858)
Total amount recognised in the statement of comprehensive income	(47,854)	(48,283)
Total cash outflow from leases	(37,345)	(44,369)

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 remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets - valuation

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

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

11. LEASES (CONTINUED)

(b) 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.

	2021 Actual \$	2020 Actual \$
Less than 1 year	248,212	272,653
1 to 2 years	196,602	248,212
2 to 3 years	154,380	196,602
3 to 4 years	141,310	154,380
4 to 5 years	141,310	141,310
> 5 years	1,103,419	1,238,480
	<u>1,985,233</u>	<u>2,251,637</u>

The Town leases buildings and mooring pens to external parties with rentals payable monthly/annually. 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.

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 Entity applies AASB 15 to allocate the consideration under the contract to each component.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance
Revaluation surplus - Land - freehold land	3,840,900	0	0	0	3,840,900	3,961,000	0	(120,100)	(120,100)	3,840,900
Revaluation surplus - Buildings - non-specialised	585,380	0	0	0	585,380	503,771	81,609	0	81,609	585,380
Revaluation surplus - Buildings - specialised	11,158,410	0	0	0	11,158,410	5,330,703	5,827,706	0	5,827,706	11,158,410
Revaluation surplus - Plant and equipment	469,638	0	0	0	469,638	469,638	0	0	0	469,638
Revaluation surplus - Infrastructure - roads	23,839,041	0	(8,633,617)	(8,633,617)	15,205,424	23,839,041	0	0	0	23,839,041
Revaluation surplus - Infrastructure - Drainage	1,057,781	2,283,408	0	2,283,408	3,341,189	1,057,781	0	0	0	1,057,781
Revaluation surplus - Infrastructure - Parks & Ovals	3,852,171	0	(2,053,127)	(2,053,127)	1,799,044	3,852,171	0	0	0	3,852,171
Revaluation surplus - Infrastructure - Footpaths & Cycleways	2,593,889	0	(262,876)	(262,876)	2,331,013	2,593,889	0	0	0	2,593,889
Revaluation surplus - Infrastructure - Car Parks	1,369,047	0	(1,152,640)	(1,152,640)	216,407	1,369,047	0	0	0	1,369,047
Revaluation surplus - Infrastructure - Bus Shelters	0	116,450	0	116,450	116,450	0	0	0	0	0
Revaluation surplus - Share of other comprehensive income of associate	468,699	10,468	0	10,468	479,167	327,995	140,704	0	140,704	468,699
	49,234,956	2,410,326	(12,102,260)	(9,691,934)	39,543,022	43,305,036	6,050,019	(120,100)	5,929,919	49,234,956

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued salaries and wages
 ATO liabilities
 Bonds and deposits held

	2021	2020
	\$	\$
	531,241	1,449,718
	106,206	102,733
	13,841	23,695
	109,234	145,316
	432,319	359,136
	<u>1,192,841</u>	<u>2,080,598</u>

SIGNIFICANT ACCOUNTING POLICIES

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 normally paid within 30 days of recognition

Prepaid rates

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

14. OTHER LIABILITIES

Current

Contract liabilities - Accrued income
 Contract liabilities - Unspent grants
 Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

2021	2020
\$	\$
11,309	0
57,589	0
259,255	0
328,153	0

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
68,898	259,255
68,898	259,255

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

16. INFORMATION ON BORROWINGS

	2021	2020
(a) Borrowings		
Current	104,343	177,797
Non-current	174,953	204,842
	279,296	382,639

(b) Repayments - Borrowings

Particulars	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021	
	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest
SMRC - Regional Resource Recovery Centre Loan	305,779	(100,821)	(1,442)	(11,172)	203,516	0	75,780	0	310,498	(65,160)	(14,960)	215,298	408,305	(98,059)	(4,467)	(15,311)	305,779	0	0	0
SMRC - Administration Building @ Aldous Place, Booragoon) Loan	76,860	0	(1,080)	0	75,780	0	45,240	0	48,240	0	(14,960)	45,240	48,240	0	28,620	0	76,860	0	0	0
	382,639	(100,821)	(2,522)	(11,172)	279,296	0	120,520	0	358,738	(65,160)	(29,920)	260,538	456,545	(98,059)	24,153	(15,311)	382,639	0	0	0

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Town of East Fremantle did not undertake any new borrowings in the reporting period.

(d) Unspent Borrowings

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

	2021	2020
	\$	\$
(e) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(63)	(577)
Total amount of credit unused	1,019,937	1,019,423
Loan facilities		
Loan facilities - current	104,343	177,797
Loan facilities - non-current	174,953	204,842
Lease liabilities - current	37,499	36,635
Lease liabilities - non-current	253,765	286,288
Total facilities in use at balance date	570,560	705,562
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 29.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Rostered Days Off \$	Provision for Time in Lieu \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020					
Current provisions	418,679	54,231	0	225,897	698,807
Non-current provisions	0	0	0	99,022	99,022
	418,679	54,231	0	324,919	797,829
Increase/(Decrease) in provision	(7,988)	(32,195)	5,054	127	(35,002)
Balance at 30 June 2021	410,691	22,036	5,054	325,046	762,827
Comprises					
Current	410,691	22,036	5,054	230,014	667,795
Non-current	0	0	0	95,032	95,032
	410,691	22,036	5,054	325,046	762,827
Amounts are expected to be settled on the following basis:	2021	2020			
Less than 12 months after the reporting date	\$ 314,593	\$ 267,110			
More than 12 months from reporting date	448,234	530,719			
	762,827	797,829			

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends. The Town has a policy with regards to employees being able to accrue no more than three (3) Rostered Days Off. It is expected that all accrued Rostered Days Off and Time in Lieu will be settled within a 12 month period.

The Town now accounts for Time in Lieu provision separately, previously this balance was held under the Rostered Days Off Provision, there is no comparatives for Time in Lieu for 19/20.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Town's obligations for employees' annual leave, long service leave, rostered days off and time in lieu entitlements and accruals are recognised as 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 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

Other long-term employee benefits (Continued)

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.

Provisions

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	3,711,886	2,444,211	3,316,938
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(480,222)	(271,659)	216,531
Non-cash flows in Net result:			
Population adjustment to share of SMRC loan liability	(2,522)	0	24,152
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	0
Depreciation on non-current assets	2,513,795	1,578,900	1,804,235
(Profit)/loss on sale of asset	79,497	0	34,955
Share of profits of associates	(324,767)	0	(21,238)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	360,871	0	(155,528)
(Increase)/decrease in other assets	(26,757)	0	(16,718)
Increase/(decrease) in payables	(887,757)	0	977,628
Increase/(decrease) in employee provisions	(35,002)	0	98,994
Increase/(decrease) in other liabilities	328,153	(84,303)	0
Non-operating grants, subsidies and contributions	(439,760)	(180,000)	(958,842)
Net cash from operating activities	1,082,943	1,042,938	2,004,169

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	10,876,360	9,128,977
General purpose funding	2,961,841	2,707,675
Law, order, public safety	38,261	3,000
Health	193,786	29,500
Education and welfare	2,137,869	1,329,636
Housing	213,571	230,000
Community amenities	2,107,935	1,426,993
Recreation and culture	21,464,434	24,795,559
Transport	35,180,555	47,256,977
Economic services	35,821	50,000
Other property and services	1,971,281	1,125,161
Unallocated	0	0
	77,181,714	88,083,478

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

20. CONTINGENT LIABILITIES

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

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

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

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

As at 30 June 2020, the balance outstanding against the lending facility stood at \$9,913,250 with the Town's share of this liability being \$306,319 (3.09%).

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

		2021	2020
Liability Share	\$	203,516	306,319
Liability Sharing Ratio	%	3.07	3.09

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

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

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

As at 30 June 2020, the balance outstanding against the lending facility stood at \$1.8m with the Town's share of this liability being \$76,320 (4.24%).

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

		2021	2020
Liability Share	\$	75,780	76,320
Liability Sharing Ratio	%	4.21	4.24

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

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

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

(d) Bank Guarantee

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects (Infrastructure)	37,478	155,000
- capital expenditure projects (Plant & Equipment)	63,531	0
- contract liabilities for capital works	259,255	0
	<u>360,264</u>	<u>155,000</u>

Payable:

- not later than one year	360,264	155,000
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Capital expenditure projects outstanding at the end of the current reporting period are:

Public Art Program	34,650
Works Utility Vehicle	28,881
Bore works	37,478

The above capital expenditure commitments relate to open purchase orders, whereby work is still currently being undertaken at 30 June 2021 (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:

Local Roads and Community Infrastructure Program	259,255
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(b) Operating Expenditure Commitments

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

	2021	2020
Payable:	\$	\$
- not later than one year	43,179	53,287
	<u>43,179</u>	<u>53,287</u>

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

	2021	2020
Payable:	\$	\$
- not later than one year	28,072	28,312
- later than one year but not later than five years	112,288	113,248
	<u>140,360</u>	<u>141,560</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Mayor J. O'Neill			
Mayor's annual allowance	28,000	28,000	25,000
Meeting attendance fees	25,000	25,000	25,000
Annual allowance for ICT expenses	3,500	3,000	3,000
	56,500	56,000	53,000
Cr J. Harrington			
Deputy Mayor's annual allowance	7,000	7,000	4,335
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	26,004	25,500	22,839
Cr K. Donovan			
Meeting attendance fees	15,504	15,500	10,753
Annual allowance for ICT expenses	3,500	3,000	2,000
	19,004	18,500	12,753
Cr A. McPhail			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	19,004	18,500	18,504
Cr M. McPhail			
Deputy Mayor's annual allowance	0	0	2,083
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	19,004	18,500	20,587
Cr D. Nardi			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	19,004	18,500	18,504
Cr A. Natale			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	19,004	18,500	18,504
Cr A. Watkins			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	3,000
	19,004	18,500	18,504
Cr C. Collinson			
Meeting attendance fees	15,504	15,500	15,504
Annual allowance for ICT expenses	3,500	3,000	2,000
	19,004	18,500	17,504
	215,532	211,000	200,699
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Mayor's allowance	28,000	28,000	25,000
Deputy Mayor's allowance	7,000	7,000	6,418
Meeting attendance fees	149,032	149,000	144,281
Annual allowance for ICT expenses	31,500	27,000	25,000
	215,532	211,000	200,699

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual \$	2020 Actual \$
The total of remuneration paid to KMP of the Town during the year are as follows:		
Short-term employee benefits	578,033	595,531
Post-employment benefits	90,178	95,333
Other long-term benefits	54,022	65,009
Termination benefits		
	722,233	755,873

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

23. RELATED PARTY TRANSACTIONS (Continued)

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.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	2021 Actual \$	2020 Actual \$
The following transactions occurred with related parties:		
Purchase of goods and services	663,532	706,073
Loan Repayments plus interest and Guarantee Fees	111,082	112,317
Annual contribution towards operating expenditure	31,900	25,738
Amounts payable to related parties:		
Trade and other payables	1,090	11,686

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 elected member, are considered key management personnel.

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Town

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

24. INVESTMENT IN ASSOCIATE

(a) Balance of investment in associate

	2021 \$	2020 \$
Current assets	942,331	765,029
Non current assets	1,273,462	1,323,444
Total assets	2,215,793	2,088,473
Current liabilities	256,211	488,466
Non current liabilities	529,729	888,028
Total liabilities	785,940	1,376,494
Net assets	1,429,853	711,979
Net increase/(decrease) in share of associate entity's net assets	717,874	235,848
- Share of associates profit/(loss) from ordinary activities	324,767	21,238
- Share of associates other comprehensive income arising during the period	10,468	140,704
- Share of associates total comprehensive income arising during the period	335,235	161,942
Balance at 1 July	1,094,618	932,676
- Share of associates total comprehensive income arising during the period	335,235	161,942
Balance at 30 June	1,429,853	1,094,618

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

An associate is an entity over which the Town has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, 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.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Town's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investment in associates (Continued)

Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent of the Town's interest in the associate. When the Town's share of losses in an associate equals or exceeds its interest in the associate, the Town discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Town will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

24. INVESTMENT IN ASSOCIATES

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

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

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

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

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

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

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

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

(a) Existing Undertakings

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

The Town's share as at 30 June 2021:

SMRC Existing Undertakings Proportional Equity Share	4.38%	(2020: 4.39%)
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(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 2021:

RRRC Project Proportional Equity Share	5.35%	(2020: 5.34%)
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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 the 30 June 2023.

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

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

As at 30 June 2021, the balance outstanding against the lending facility stood at:	\$6,629,191
with the Town's share of this liability being:	\$203,516
using the current cost/profit sharing percentage of:	3.07%

(c) Office Accommodation Project

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

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

The Town's share as at 30 June 2021:

Office Accommodation Project Proportional Equity Share	4.36%	(2020: 4.37%)
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Office Accommodation - Lending facility

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

As at 30 June 2021, the balance outstanding against the lending facility stood at:	\$1,800,000
with the Town's share of this liability being:	\$75,780

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

25. MAJOR LAND TRANSACTIONS

The Town of East Fremantle did not participate in any major land transactions during the reporting period.

26. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Town of East Fremantle did not participate in any trading undertakings or major trading transactions during the reporting period.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

27. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate

Gross rental valuations

Rate in \$	Number of Properties	2020/21 Actual Rateable Value	2020/21 Actual Rate Revenue	2020/21 Actual Interim Rates	2020/21 Actual Total Revenue	2020/21 Budget Interim Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
0.074225	2,954	86,072,665	6,348,512	14,854	6,363,366	30,000	6,375,613	6,404,368
0.110543	115	11,541,395	1,276,467	3,323	1,279,790	0	1,275,992	1,334,605
Sub-Total	3,069	97,614,060	7,624,979	18,177	7,643,156	30,000	7,651,605	7,738,973

Minimum payment

Gross rental valuations

1,106	331	4,219,274	366,086	2,825	368,911	0	368,298	291,984
1,654	12	117,220	19,848	(506)	19,342	0	19,848	18,194
Sub-Total	343	4,336,494	385,934	2,319	388,253	0	388,146	310,178

Discounts/concessions (Note 27(b))

Total amount raised from general rate	3,412	101,950,554	8,010,913	20,496	8,031,409	30,000	8,039,751	8,049,151
Totals					(43,055)		(42,476)	0
					7,988,354		7,997,275	8,049,151
					7,988,354		7,997,275	8,049,151

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

27. RATING INFORMATION (Continued)

27. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
GRV Commercial - Sporting Clubs General Rate	Concession	25.00%		43,055	42,476	0
				43,055	42,476	0
Total discounts/concessions (Note 27(a))				43,055	42,476	0

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

27. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	7/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	7/09/2020	0.00	0.00%	8.00%
Second instalment	11/01/2021	16.50	0.00%	8.00%
Option Three				
First instalment	7/09/2020	0.00	0.00%	8.00%
Second instalment	9/11/2020	16.50	0.00%	8.00%
Third instalment	11/01/2021	16.50	0.00%	8.00%
Fourth instalment	11/03/2021	16.50	0.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	37,046	30,000	34,564
Interest on instalment plan	0	0	36,350
Charges on instalment plan	37,670	42,000	40,854
	<u>74,716</u>	<u>72,000</u>	<u>111,768</u>

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

28. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2020/21 (1 July 2020 Brought Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	0	(2,210)	(2,210)
10(a)	Population adjustment to SMRC Loan Balance	0	24,153	24,153
	Less: Fair value adjustments to financial assets at fair value through profit and loss	0	0	0
	(2,586)	0	0	0
	Less: Share of net profit of associates and joint ventures accounted for using the equity method	0	(21,238)	(21,238)
	(324,767)	0	(21,238)	(21,238)
	Movement in receivables (non-current)	0	0	0
	3,000	0	0	0
	Movement in pensioner deferred rates (non-current)	0	(8,063)	(8,063)
	6,315	0	(8,063)	(8,063)
	Movement in employee benefit provisions (non-current)	0	35,504	35,504
	(3,990)	0	35,504	35,504
10(a)	Add: Loss on disposal of assets	0	37,165	37,165
	80,927	0	37,165	37,165
10(b)	Add: Depreciation on non-current assets	1,578,900	1,804,235	1,804,235
	2,513,795	1,578,900	1,804,235	1,804,235
	Non cash amounts excluded from operating activities	1,578,900	1,869,546	1,869,546
	2,268,742	1,578,900	1,869,546	1,869,546
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserves - cash backed	(1,398,981)	(991,251)	(991,251)
4	(985,793)	(1,398,981)	(991,251)	(991,251)
	Less: Restricted cash - contract liabilities	0	0	0
	(316,844)	0	0	0
	Add: Current liabilities not expected to be cleared at end of year	95,160	177,797	177,797
	- Current portion of borrowings	0	36,635	36,635
16(a)	104,343	95,160	177,797	177,797
	- Current portion of lease liabilities	0	36,635	36,635
	37,499	0	36,635	36,635
	Total adjustments to net current assets	(1,303,821)	(776,819)	(776,819)
	(1,160,795)	(1,303,821)	(776,819)	(776,819)
Net current assets used in the Rate Setting Statement				
	Total current assets	2,960,616	3,997,526	3,997,526
	4,067,675	2,960,616	3,997,526	3,997,526
	Less: Total current liabilities	(1,656,795)	(2,993,837)	(2,993,837)
	(2,330,631)	(1,656,795)	(2,993,837)	(2,993,837)
	Less: Total adjustments to net current assets	(1,303,821)	(776,819)	(776,819)
	(1,160,795)	(1,303,821)	(776,819)	(776,819)
	Net current assets used in the Rate Setting Statement	0	226,870	226,870
	576,249	0	226,870	226,870

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.04%	3,711,886	1,484,665	1,818,287	408,934
2020					
Cash and cash equivalents	0.44%	3,316,938	1,745,086	893,690	678,162

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	18,183	8,937

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

29. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

Infringements receivable aged more than three (3) years are presented to Council for write-off on an annual basis. These infringements are subsequently de-registered from Fines Enforcement Registry (FER).

The loss allowance as at 30 June 2021 for infringements receivables was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Infringements receivables					
Expected credit loss	22.34%	46.57%	64.63%	0.00%	
Gross carrying amount	30,014	16,591	18,454	0	65,059
Loss allowance	6,705	7,726	11,927	0	26,358
30 June 2020					
Infringements receivables					
Expected credit loss	0.00%	0.00%	78.14%	0.00%	
Gross carrying amount	31,209	22,527	13,438	0	67,174
Loss allowance			10,500		10,500

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	10,512	226	0	6,064	16,802
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	12,260	0	622	2,710	15,592
Loss allowance	0	0	0	0	0

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

29. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	1,192,841	0	0	1,192,841	1,192,841
Borrowings	104,343	174,953	0	279,296	279,296
Contract liabilities	328,153	0	0	328,153	328,153
Lease liabilities	44,546	178,185	96,517	319,248	291,264
	1,669,883	353,138	96,517	2,119,538	2,091,554
2020					
Payables	2,080,598	0	0	2,080,598	2,080,598
Borrowings	177,797	204,842	0	382,639	382,639
Lease liabilities	44,651	178,604	141,395	364,650	322,923
	2,303,046	383,446	141,395	2,827,887	2,786,160

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

The Town does not meet the definition of a grantor for any contractual agreements in the year ended 30 June 2021 and as such does not have any service concession arrangements in place. The Town will need to consider AASB 1059 once the East Fremantle Oval precinct is redeveloped and a management body is appointed to manage the facility.

(b) AASB 2018-7 Amendments to the Australian Accounting Standards - Definition of Material

The Town understands the new requirement in AASB 2018-7 which introduces the concept of obscuring financial information in the preparation of the Annual Financial Statements, together with the existing requirements in considering materiality of omitting or misstating financial information when preparing financial statements.

The Town will ensure that the Annual Financial Statements will not contain immaterial information which then obscures the users understanding in making decisions based on the information provided in the financial statements.

In making disclosures, the Town will ensure that these are made in accordance with the Local Government Act 1995, Local Government (Financial Management) Regulations 1996, and all applicable Australian Accounting Standards.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

32. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Developer Cash in Lieu	376,663	1,312	(240,965)	137,010
	376,663	1,312	(240,965)	137,010

Developer cash in lieu contributions for parking were included in the Town's 2021/22 annual budget as a transfer to reserve. This satisfies the requirement set out in the Planning and Development (Local Planning Schemes) Regulations 2015.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

33. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) 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.

i) Impairment of assets

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

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

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

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

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

34. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administrative support available assisting elected members and ratepayers on matters which do not concern specific council services but are strategic in nature.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the allocation to services.

Rating, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to ensure bushfire prevention, animal control and community safety.

Supervision and enforcement of various local laws and acts relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, food quality testing, pest control, noise control, waste disposal compliance and child health services.

EDUCATION AND WELFARE

To provide assistance to senior citizens welfare and home and community care.

Provision and maintenance of home and community care programs including in home care, senior outings and respite

HOUSING

To assist with housing for staff and the community.

Provision and maintenance of residential rental properties.

COMMUNITY AMENITIES

To provide community amenities and other infrastructure as required by the community.

Rubbish collection, recycling and disposal, joint maintenance of SMRC waste management facility, administration of Town Planning Schemes, heritage protection and townscapes, maintenance of urban stormwater drainage and protection of the environment.

RECREATION AND CULTURE

To plan, establish and efficiently manage sport and recreation infrastructure and resources which will help the social well being and health and community.

The provision and maintenance of various community infrastructure including public halls, recreation grounds, sports pavillions, playgrounds, parks, gardens, beaches and the joint operation of the City of Fremantle Library.

TRANSPORT

To provide safe, effective and efficient transport infrastructure to the community.

Construction and maintenance of streets, roads, footpaths, depots, cycleways, street trees, parking facilities, traffic control, cleaning and lighting of streets.

ECONOMIC SERVICES

To help promote the Town and improve its economic wellbeing.

The regulation and provision of tourism, area promotion activities and building control.

OTHER PROPERTY AND SERVICES

To monitor and control plant and depot operations, and to provide other property services not included elsewhere.

Private works operation, plant operating costs, depot operations and unclassified property functions.

Notes to and Forming Part of the Financial Report

For the year ended 30 June 2021

35. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.38	1.01	1.50
Asset consumption ratio*	0.55	0.59	0.57
Asset renewal funding ratio	1.37	1.43	1.70
Asset sustainability ratio*	0.33	1.86	0.77
Debt service cover ratio	16.65	9.58	11.48
Operating surplus ratio	(0.07)	(0.08)	(0.02)
Own source revenue coverage ratio	0.81	0.82	0.89

*The Town has restated the Asset Consumption Ratio and the Asset Sustainability Ratio for the 19/20 and 18/19 comparative years.

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



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