



2004/2005 BUDGET

INTRODUCTION

The Town of East Fremantle's 2004/2005 Budget was adopted at Council's Ordinary meeting held on Tuesday 6 July 2004.

BUDGET OVERVIEW

This year's Budget provides for a number of significant items for the benefit of the community including:

• Footpath works	\$250,000
• Ulrich Park development	\$145,000
• Drainage improvements	\$186,000
• Traffic treatments	\$ 105,000
• Town Hall and Old Police Station restoration works	\$150,000
• Road resurfacing works	\$145,000
• Foreshore erosion remediation works	\$ 75,000

The budget also provides for the development of facilities and other works on a number of recreation reserves including Wauhop Park reticulation, Kitson Park bore replacement, Tricolore change rooms improvements, Norm McKenzie Reserve lighting and various playground equipment with the total expenditure involved being approximately \$130,000.

In addition to the mowing of Council's parks and ovals, provision has been made for three (3) general verge mows and four (4) arterial roads verge mows.

Council continues to provide a number of waste disposal options. Supplementing Council's weekly rubbish and recycling collections, there will be three (3) green waste and two (2) general waste collections during the year. In addition two (2) new "Green Waste Only" passes and one (1) general waste tip pass to the RRRC site at Canning Vale will be provided.

Continued support has been provided for community services such as Glyde-In (\$40,000), Infant Health Clinic, Community Midwifery Program and Council's Home and Community Care services.

Council has been successful in obtaining external grants totalling over \$450,000 for the restoration and fit out of the heritage property, "Dovenby House", situated at the rear of the Council Chambers, which is estimated will cost \$487,700. The restored building will provide a superb facility for the administration of Council's Home and Community Care service "Neighbourhood Link", which assists many of the aged and disabled residents of



the Town, as well as a meeting place for the carers, volunteers and staff associated with the service.

It will also serve as a tangible example of Council's strong commitment to the protection of the Town's heritage buildings and heritage areas.

Particular emphasis has been given to further strengthening Council's Town Planning. Town Planning Scheme No 3 is due to be adopted in the current financial year. To support the Scheme, Council plans to formulate and adopt design guidelines, related policies and a new Municipal Inventory.

Council has allocated funds for town planning consultants to assist these processes and also for legal expenses associated with town planning appeals.

All of the above measures are designed to ensure the best possible direction and outcomes for Town Planning and heritage protection within the Town of East Fremantle.

Total expenditure allocated for these items is \$183,000.

Over \$23,000 has been allocated by Council for the East Fremantle Festival, which continues to grow in quality and popularity each year.

To meet the above objectives and other aspirations of our community, Council has budgeted for an overall rate increase of 6% for residential and commercial rates. The increase is partly due to the effects of the 2003 Cornell judgment – a very costly compensation case, based on a provision in Council's 1982 Town Planning Scheme, which followed Council's protection of a designated natural heritage area from inappropriate development, effectively on behalf of the State Government, which has unfortunately so far declined to assist. Council has appealed the decision.

The Emergency Services Levy, which Council is required to collect on behalf of the State Government for the funding of the emergency services has been included in the rates notice. The levy has been based on the gross rental value of the property with a minimum of \$30 and maximum of \$100,000 for residential and commercial buildings.

The Fire and Emergency Service Authority has enclosed a brochure with the rates notice which provides information on the levy.

Rates Payment Options

- In Person at Council Office – 135 Canning Highway East Fremantle
- At any Australia Post Office or Agency.
- Pay by mail using re-useable envelope (cheque or money order only).
- Credit Card by telephone 1300 136 085.
- Visit our Web site on www.eastfremantle.wa.gov.au



Council offers the option of rates payments by either one (1) two (2) or (4) four instalments due on the following dates:

FULL PAYMENT

- 1st Payment 23 August 2004

TWO PAYMENT OPTION

- 1st Payment 23 August 2004
- 2nd Payment 25 October 2004

FOUR PAYMENT OPTION

- 1st Payment 23 August 2004
- 2nd Payment 25 October 2004
- 3rd Payment 10 January 2005
- 4th Payment 14 March 2005

The single payment option does not attract interest or instalment components.

Rates Prizes

Council has received a number of prizes from local businesses to offer as incentives for the early payment of rates and charges. All ratepayers who pay their rates no later than the 23 August 2004 will be eligible for the prizes. These include:-

	\$
• Stewart's Pest Control	1,200
• Commonwealth Bank- Cash Prize	500
• East Fremantle Tennis Club- One Adult Membership	400
• Esplanade Hotel Fremantle- One Night Breakaway	220
• Trade Winds Hotel- Bed & Breakfast Package	185
• Boardwalk Restaurant	140
• Left Bank Café and Restaurant	100
• Red Herring Restaurant	100
• Café Silas- Breakfast Vouchers	30

East Fremantle Oval Free Family Football Passes

As part of a community partnership between the Town of East Fremantle and the East Fremantle Football Club, also included with this year's rate notice are free family football passes to one East Fremantle Sharks WAFL home game at East Fremantle Oval for each the 2004 and 2005 seasons.

TOWN OF EAST FREMANTLE
ADOPTED BUDGET (6th JULY 2004)
FOR THE YEAR ENDED 30TH JUNE 2005

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TOWN OF EAST FREMANTLE
OPERATING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005

NOTE	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
OPERATING REVENUES (Refer Notes 1,2,8 to 13)			
Governance	24,500	43,169	25,900
General Purpose Funding	3,749,994	3,517,771	3,525,622
Law, Order, Public Safety	25,680	19,151	17,460
Health	2,550	1,836	2,350
Education and Welfare	476,298	455,099	430,377
Housing	36,400	31,273	34,800
Community Amenities	137,699	133,650	137,122
Recreation and Culture	137,885	171,562	120,852
Transport	141,613	145,369	214,000
Economic Services	66,845	66,302	67,950
Other Property and Services	67,000	105,304	108,415
	<u>4,866,463</u>	<u>4,690,486</u>	<u>4,684,848</u>
OPERATING EXPENSES (Refer Notes 1,2 & 14)			
Governance	397,298	470,584	461,659
General Purpose Funding	173,717	154,088	190,396
Law, Order, Public Safety	105,203	91,680	111,544
Health	103,760	96,317	102,167
Education and Welfare	517,457	529,511	524,037
Housing	26,852	21,678	26,065
Community Amenities	1,375,136	988,279	1,169,327
Recreation & Culture	1,002,958	892,008	992,890
Transport	1,242,579	1,093,068	1,205,291
Economic Services	116,979	117,937	107,881
Other Property and Services	144,440	172,189	193,746
	<u>5,206,379</u>	<u>4,627,338</u>	<u>5,085,003</u>
BORROWING COSTS EXPENSE (Refer Notes 2 & 5)			
Debentures	100,488	98,241	98,241
	<u>100,488</u>	<u>98,241</u>	<u>98,241</u>
GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS			
Law, Order & Public Safety	7,600		
Health			
Education & Welfare		-	
Community Amenities	246,350	-	201,350
Recreation & Culture	-	-	25,000
Transport	58,500	135,000	235,000
	<u>312,450</u>	<u>135,000</u>	<u>461,350</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Governance	11,035	3,320	5,690
Health	2,862	3,886	7,200
HACC	15,955		
Community Amenities	14,658	4,064	3,303
Transport	5,609	2,381	7,734
Economic Services		-	
	<u>50,119</u>	<u>13,651</u>	<u>23,927</u>
NET PROFIT OR LOSS/RESULT	<u>(77,836)</u>	<u>113,557</u>	<u>(13,119)</u>

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

TOWN OF EAST FREMANTLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,339,410	3,099,275	3,103,693
Grants and Subsidies - operating		673,833	562,478	592,074
Contributions, Reimbursements & Donations		27,475	152,272	116,624
Service Charges		156,450	45,087	207,415
Fees and Charges		342,366	381,199	321,903
Interest Earnings		124,584	125,055	174,000
Other		37,055	182,706	152,126
		<u>4,701,172</u>	<u>4,548,072</u>	<u>4,667,835</u>
Payments				
Employee Costs		(1,651,298)	(1,468,376)	(1,742,270)
Materials and Contracts		(2,125,273)	(1,672,561)	(2,282,411)
Utilities (gas, electricity, water, etc)		(75,315)	(260,654)	(51,907)
Insurance		(181,145)	(187,317)	(177,613)
Interest		(100,295)	(103,882)	(98,884)
Other		(3,958)	(85,042)	(34,869)
		<u>(4,137,283)</u>	<u>(3,777,833)</u>	<u>(4,387,954)</u>
Net Cash Provided By Operating Activities	13(b)	<u>563,889</u>	<u>770,239</u>	<u>279,881</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	-		
Payments for Purchase of Property, Plant & Equipment	3	(1,033,550)	(221,913)	(951,600)
Payments for Construction of Infrastructure	3	(758,860)	(400,191)	(665,055)
Grants/Contributions for the Development of Assets		312,450	135,000	461,350
Proceeds from Sale of Assets	4	226,455	134,580	142,580
Net Cash Used in Investing Activities		<u>(1,253,505)</u>	<u>(352,524)</u>	<u>(1,012,725)</u>
Cash Flows from Financing Activities				
Advances to Community Groups				
Repayment of Debentures	5	(130,854)	(421,910)	(421,910)
Repayment of Finance Leases				
Proceeds from Self Supporting Loans		30,000	15,352	15,352
Self Supporting Loan Advances		(15,000)		(15,000)
Proceeds from New Debentures	5	400,000	200,000	200,000
Net Cash Provided By (Used In) Financing Activities		284,146	(206,558)	(221,558)
Net Increase (Decrease) in Cash Held		(405,470)	211,157	(954,403)
Cash at Beginning of Year		1,384,473	1,173,316	1,701,749
Cash at End of Year	13(a)	<u><u>979,003</u></u>	<u><u>1,384,473</u></u>	<u><u>747,346</u></u>

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

**TOWN OF EAST FREMANTLE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005**

	NOTE	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
REVENUES	1,2			
Governance		35,536	46,489	37,280
General Purpose Funding		341,619	332,950	356,500
Law, Order, Public Safety		33,280	19,151	17,460
Health		8,274	5,721	16,750
Education and Welfare		508,207	455,099	430,377
Housing		36,400	31,273	34,800
Community Amenities		413,365	108,232	345,078
Recreation and Culture		137,885	160,257	130,500
Transport		211,623	189,032	464,468
Economic Services		66,845	66,302	67,950
Other Property and Services		67,000	105,304	108,415
		<u>1,860,034</u>	<u>1,519,809</u>	<u>2,009,578</u>
EXPENSES	1,2			
Governance		(411,753)	(485,960)	(477,035)
General Purpose Funding		(173,717)	(154,088)	(190,396)
Law, Order, Public Safety		(105,203)	(91,680)	(111,544)
Health		(103,760)	(96,317)	(102,167)
Education and Welfare		(517,457)	(529,511)	(524,037)
Housing		(26,852)	(21,678)	(26,065)
Community Amenities		(1,384,297)	(1,010,321)	(1,191,369)
Recreation & Culture		(1,024,671)	(918,489)	(1,019,371)
Transport		(1,297,738)	(1,127,410)	(1,239,633)
Economic Services		(116,979)	(117,937)	(107,881)
Other Property and Services		(144,440)	(172,189)	(193,746)
		<u>(5,306,867)</u>	<u>(4,725,580)</u>	<u>(5,183,244)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Income				
(Profit)/Loss on Asset Disposals	4	(50,411)	(13,651)	(23,927)
Depreciation on Assets	2(a)	666,522	634,806	689,167
Capital Expenditure and Income				
Purchase Land Held for Resale	3			
Purchase Land and Buildings	3	(695,700)	(15,899)	(693,200)
Purchase Infrastructure Assets	3	(758,860)	(400,191)	(665,055)
Purchase Plant and Machinery	3	(326,850)	(181,383)	(234,400)
Purchase Furniture and Equipment	3	(11,000)	(24,631)	(39,000)
Proceeds from Disposal of Assets	4	226,455	134,580	142,580
Repayment of Debentures	5	(130,854)	(421,910)	(421,910)
Proceeds from New Debentures	5	400,000	200,000	200,000
Self-Supporting Loan Principal Income		30,000	15,625	15,352
Transfers to Reserves (Restricted Assets)	6	(51,602)	(169,546)	(30,000)
Transfers from Reserves (Restricted Assets)	6	521,553	236,678	876,169
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	190,786	217,805	217,805
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(17,386)	190,786	29,037
Amount Req'd to be Raised from Rates	8	<u><u>(3,419,408)</u></u>	<u><u>(3,184,274)</u></u>	<u><u>(3,169,122)</u></u>

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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, but a separate statement of those monies appears at Note 15 to this budget.

(c) 2003/04 Forecast Balances

Balances shown in this budget as 2003/04 are forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(g) Superannuation

The Town of East Fremantle contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

(h) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

(i) Infrastructure Assets

Infrastructure (eg roads, drainage, parks & ovals etc) were valued and recorded in the statement of financial position as at 30th June 1997. All Infrastructure constructed or acquired during the year is capitalised and depreciated over its useful life.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years
Furniture and Equipment	10 years
Plant and Equipment	8years
Infrastructure	Various
Mobile Equipment	5 years
Electronic Equipment	5 years
Tools	

(k) Capitalisation Policies

All purchases from non-current assets are bought to account at cost unless otherwise noted in notes to the accounts.

Council has adopted the following Asset Capital threshold:-

Buildings	1,000
Furniture and Equipment	500
Plant and Equipment	500
Infrastructure	1,000

(l) Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Entitlements

The provisions for employee entitlements relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries and Annual Leave

The provision for employees' entitlements to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees services to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(ii) Long Service Leave

The provision for employees' entitlements for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
(a) Net Profit or Loss/Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Depreciation	Note:		
By Program			
Governance	70,962	62,414	88,000
General Purpose Funding	-	-	
Law, Order, Public Safety	433	343	950
Health	9,563	8,296	10,000
Education and Welfare	48,322	45,101	51,300
Housing	9,197	8,759	8,950
Community Amenities	62,810	58,597	67,250
Recreation and Culture	215,292	212,961	210,750
Transport	241,777	230,241	240,300
Economic Services	-	-	3,500
Other Property and Services	8,167	8,093	8,167
	<u>666,522</u>	<u>634,806</u>	<u>689,167</u>
By Class			
Land and Buildings	239,062	234,117	247,184
Furniture and Equipment	33,503	29,945	34,642
Plant and Equipment	209,388	205,056	216,502
Infrastructure	184,569	165,688	190,839
	<u>666,522</u>	<u>634,806</u>	<u>689,167</u>
Borrowing Costs (Interest)			
- Finance Lease Charges	-		-
- Debentures	134,611	98,241	98,241
	<u>134,611</u>	<u>98,241</u>	<u>98,241</u>
Rental Charges			
- Operating Leases	-		-
	<u>-</u>	<u>-</u>	<u>-</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	26,371	26,840	30,000
- Other Funds	80,891	74,669	110,000
Other Interest Revenue	17,225	23,546	21,000
	<u>124,487</u>	<u>125,055</u>	<u>161,000</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

		2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
2. REVENUES AND EXPENSES (Continued)				
(b) Revenues and Expenses Classified According to Nature and Type				
	Note:			
Revenues				
Rates	8	3,419,410	3,184,274	3,169,122
Grants and Subsidies - operating		673,833	653,978	601,751
Grants and Subsidies - non-operating		312,450	135,000	461,350
Contributions,				
Reimbursements and Donations		27,475	167,481	88,996
Profit on Asset Disposals	4	50,410	17,272	23,927
Service Charges	9	181,450	41,329	222,415
Fees and Charges	10	402,366	431,199	346,704
Interest Earnings	2(a)	124,584	125,055	161,000
Other Revenue		37,055	31,437	94,860
		<u>5,229,032</u>	<u>4,787,025</u>	<u>5,170,125</u>
Expenses				
Employee Costs		(1,726,380)	(1,468,376)	(1,814,473)
Materials and Contracts		(2,571,489)	(1,932,561)	(2,195,935)
Utilities (gas, electricity, water, etc)		(75,315)	(260,654)	(165,973)
Depreciation on				
Non-current Assets	2(a)	(666,522)	(641,524)	(689,167)
Loss on Asset Disposals	4	-	(3,556)	-
Interest	2(a)	(100,295)	(94,438)	(97,892)
Insurance		(166,806)	(187,316)	(189,903)
Other		(3,958)	(85,042)	(29,901)
		<u>(5,310,764)</u>	<u>(4,673,468)</u>	<u>(5,183,244)</u>
Grants and Subsidies - non-operating Contributions				
Renovation of Dovenby House		246,350	-	201,350
Pathway Accessible Grants		26,000	-	-
Cycleways - Bikewest		-	-	25,000
Sports & Recreation		-	-	25,000
Main Roads WA		32,500	135,000	130,000
Drainage Upgrade		-	-	80,000
Office of Crime Prevention		7,600	-	-
		<u>312,450</u>	<u>135,000</u>	<u>461,350</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
2. REVENUES AND EXPENSES (Continued)			
(c) Reconciliation of Revenues and Expenses per the Operating Statement to Revenues and Expenses Classified According to Nature and Type			
	Note:		
Operating Revenues (Operating Statement)	4,866,463	4,690,486	4,684,848
Add: Grants/Contributions for the Development of Assets	312,450	135,000	461,350
Profit on Disposal of Assets			
- Governance	11,035	3,320	5,690
- Health	2,862	3,886	7,200
- Community Amenities	14,658	4,064	3,303
- HACC	15,955		
- Transport	5,609	2,381	7,734
- Economic Services		-	
Operating Revenue by Nature and Type	2(b) <u>5,229,032</u>	2(b) <u>4,839,137</u>	2(b) <u>5,170,125</u>
 Operating Expenses Excluding Borrowing Costs Expense (Operating Statement)	 5,206,378	 4,627,338	 5,085,003
Add: Loss on Disposal of Assets			
- Law, Order & Public Safety			-
- Recreation & Culture			-
- Transport			
- Economic Services			
Borrowing Costs Expense	100,488	98,241	98,241
Operating Expense by Nature and Type	2(b) <u>5,306,867</u>	2(b) <u>4,725,579</u>	2(b) <u>5,183,244</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(d) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

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

Activities: Administration and operation of facilities and services to members of council;

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rating, General Purpose Government Grants and the earning of Interest.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide Bushfire Prevention Services and Animal (Dog) Control services.

Activities: Supervision, Enforcement of Bushfire Act and Dog Act.

HEALTH

Objective: To provide an operational framework for good community health in conjunction with the Health Department of W.A.

Activities: Health Inspection Services regarding food quality, pest control etc and the provision of Doctor and Dental Surgery facilities and Child Health Clinics.

EDUCATION AND WELFARE

Objective: to provide assistance to senior citizens welfare and home and community care, and the provision of services including meals on wheels

HOUSING

Objective: Help to ensure that adequate housing is available to staff and the community.

Activities: Provision and maintenance of 5 Staff Houses

COMMUNITY AMENITIES

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

Activities: Rubbish Collection and Disposal, maintenance of Rubbish Tips and recycling, administration of Town Planning Schemes for the Town including provision of residential, commercial and Townscape facilities.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

2 OPERATING REVENUES AND EXPENSES (Continued)

(d) Statement of Objective (Continued)

RECREATION AND CULTURE

Objective: To establish and manage efficiently sport and recreation infrastructure and resources which will help the social well being and health of the community.

Activities: The provision and maintenance in conjunction with the various communities of public halls, recreation grounds, sport pavilions and the joint operation of the City of Fremantle Library.

TRANSPORT

Objective: To provide effective and efficient transport infrastructure to the community.

Activities: Construction and maintenance of streets, roads, bridges; the cleaning and lighting of streets;

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic wellbeing.

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

OTHER PROPERTY & SERVICES

Objective: To provide other services etc not elsewhere included.

Activities: Private Works operations, Council plant repairs and operation costs and depot maintenance.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

3 ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year

\$

By Program

Governance	250,500
General Purpose Funding	-
Law, Order, Public Safety	
Health	26,000
Education and Welfare	545,050
Housing	-
Community Amenities	138,000
Recreation and Culture	339,500
Transport	493,360
Economic Services	-
Other Property and Services	-
	1,792,410

By Class

Land Held for Resale	
Land and Buildings	695,700
Infrastructure Assets	758,860
Plant and Machinery	326,850
Furniture and Equipment	11,000
	1,792,410

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

4. DISPOSALS OF ASSETS

The following assets are budgeted to be disposed of during the year.

By Program	Net Book Value	Sale Proceeds	Profit(Loss)
	2004/05 BUDGET \$	2004/05 BUDGET \$	2004/05 BUDGET \$
Governance	73,965	85,000	11,035
Health	21,638	24,500	2,862
HACC	-	15,955	15,955
Community Amenities	56,842	71,500	14,658
Transport	23,891	29,500	5,609
	176,335	226,455	50,119

By Class	Net Book Value	Sale Proceeds	Profit(Loss)
	2004/05 BUDGET \$	2004/05 BUDGET \$	2004/05 BUDGET \$
Plant & Equipment	176,335	226,455	50,119
Office Furniture			
Land and Buildings			
	176,335	226,455	50,119

Summary	2004/05 BUDGET \$
Profit on Asset Disposals	50,119
Loss on Asset Disposals	-
	50,119

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005**

5 (a) Information on Borrowings

No	Purpose	Lender	Date Funded	Term in Years	Initial Amount Borrowed	New Loans	Rate	Principal Liability 01 July 2004	Principal Repayments 2004/2005	Interest Expense 2004/2005	Principal Liability 30 June 2005	
Administration												
179	Organisational Reform	WATC	27-Jun-00	15	250,000		6.96	206,474	12,919	14,455	14,528	193,555
186	Restoration Town Hall/ Police Stn	WATC	1-Jan-05	10	0	150,000	6.37	0	5,464	4,734	14,346	144,536
Community Amenities												
173	George Street Beautification	WATC	28-Jun-99	15	75,000		6.85	57,804	4,190	3,889	3,981	53,614
176	Recycling Bins	WATC	27-May-99	10	150,000		6.36	86,644	15,230	5,272	6,024	71,414
185	Old Royal George Hotel	WATC	1-Jan-05	5		50,000	6.13	0	4,344	1,499	4,602	45,656
Recreation and Culture												
165	East Fremantle Tennis Club	WATC	22-Aug-97	10	80,000		6.89	34,317	8,990	2,212	3,194	25,327
167	East Fremantle Bowling Club	WATC	29-Jul-98	15	50,000		6.12	36,670	2,944	2,197	3,179	33,726
169	Foreshore/Landscaping	WATC	28-Jun-99	15	140,000		6.85	107,901	7,822	7,260	7,432	100,079
171	Playground Equipment	WATC	28-Jun-99	15	80,000		6.85	61,658	4,470	4,148	4,247	57,188
175	Automatic Reticulation	WATC	28-Jun-99	15	110,000		6.85	84,780	6,146	5,704	5,839	78,634
Transport												
168	Footpath Construction	WATC	28-Jun-99	15	150,000		6.85	115,609	8,380	7,778	7,963	107,229
170	Construction Works	WATC	28-Jun-99	15	68,000		6.85	52,409	3,552	3,774	3,610	48,857
174	Local Area Traffic Management	WATC	28-Jun-99	15	50,000		6.85	38,536	2,793	2,593	2,654	35,743
178	Road and Footpath Construction	WATC	27-Jun-00	15	150,000		6.96	123,885	7,751	8,673	8,670	116,134
182	Road and Footpath Construction	WATC	1-Jun-03	10	200,000		5.28	184,138	16,663	8,827	10,548	167,475
184	Road and Footpath Construction	WATC	22-Mar-04	10	185,000	0	5.88	185,000	14,060	10,674	13,858	170,940
187	Road and Drainage Improvements	WATC	1-May-05	15		200,000	6.64	0	3,972	6,607	19,938	196,028
						400,000		1,375,825	129,690	100,295	134,611	1,646,134

NOTE:

BTA Bankers Trust Australia
CBA Commonwealth Bank of Australia
WATC Western Australian Treasury Corporation

Funding of Repayments in 2004/2005

- Self Supporting Loan Recoups
- To be funded by Specified Area Rates
- To be funded by General Purpose Income

5.

(b) New Borrowings

Particulars/Purpose	Amount Borrowed		Institution	Type	(Years)	Interest & Charges	Rate		
	Actual	Budget						Actual	Budget
185 Old Royal George Hotel		50,000		Deb	5	8,433	6.13		
186 Town Hall/ Police Stn		150,000		Deb	10	53,965	6.37		
187 Road and Footpath Construction		200,000		Deb	15	117,392	6.64		
		400,000							

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2004 nor is it expected to have unspent debenture funds as at 30th June 2005.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the Commonwealth Bank does exist. It is not anticipated that this facility will be required to be utilised during 2004/05.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
6. RESERVES			
Cash Backed Reserves			
(a) Specified Area Rates			
Opening Balance	20,518	-	524,271
Amount Set Aside / Transfer to Reserve	1,026	20,518	-
Amount Used / Transfer from Reserve	(20,518)	-	(503,753)
	<u>1,026</u>	<u>20,518</u>	<u>20,518</u>
(b) Plant Replacement			
Opening Balance	28	28	28
Amount Set Aside / Transfer to Reserve			-
Amount Used / Transfer from Reserve			-
	<u>28</u>	<u>28</u>	<u>28</u>
(c) Annual Leave			
Opening Balance	81,658	77,781	75,029
Amount Set Aside / Transfer to Reserve	3,943	3,877	2,752
Amount Used / Transfer from Reserve			-
	<u>85,601</u>	<u>81,658</u>	<u>77,781</u>
(d) Office Reserve			
Opening Balance	15,222	14,530	13,841
Amount Set Aside / Transfer to Reserve	714	692	689
Amount Used / Transfer from Reserve			-
	<u>15,936</u>	<u>15,222</u>	<u>14,530</u>
(e) Town Planning Reserve			
Opening Balance	21,748	20,725	19,945
Amount Set Aside / Transfer to Reserve	1,045	1,023	780
Amount Used / Transfer from Reserve	(20,500)		(20,500)
	<u>2,293</u>	<u>21,748</u>	<u>225</u>
(f) Leeuwin Reserve			
Opening Balance	24,198	23,042	24,198
Amount Set Aside / Transfer to Reserve	1,271	1,156	917
Amount Used / Transfer from Reserve			-
	<u>25,469</u>	<u>24,198</u>	<u>25,115</u>
(g) Centennial Reserve			
Opening Balance	2,345	2,201	2,345
Amount Set Aside / Transfer to Reserve	121	144	115
Amount Used / Transfer from Reserve			-
	<u>2,466</u>	<u>2,345</u>	<u>2,460</u>
(h) Legal Costs Reserve			
Opening Balance	454,820	416,942	361,485
Amount Set Aside / Transfer to Reserve	19,815	180,433	22,477
Amount Used / Transfer from Reserve	(474,635)	(142,555)	(330,555)
	<u>-</u>	<u>454,820</u>	<u>53,407</u>
(i) Long Service Leave Reserve			
Opening Balance	51,713	49,820	37,199
Amount Set Aside / Transfer to Reserve	1,943	1,893	2,018
Amount Used / Transfer from Reserve			(15,361)
	<u>53,656</u>	<u>51,713</u>	<u>23,856</u>
(j) Asbestos Removal Reserve			
Opening Balance	6,772	6,472	6,220
Amount Set Aside / Transfer to Reserve	324	300	252
Amount Used / Transfer from Reserve	(6,000)		(6,000)
	<u>1,096</u>	<u>6,772</u>	<u>472</u>
(k) General Reserve			
Opening Balance	166	166	166
Amount Set Aside / Transfer to Reserve	21,400		-
Amount Used / Transfer from Reserve			-
	<u>21,566</u>	<u>166</u>	<u>166</u>
Total Reserves	<u>209,137</u>	<u>679,188</u>	<u>218,558</u>

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2005

Summary of Transfers to Cash Backed Reserves	2004/05 Budget \$	2003/04 Forecast \$	2003/04 Budget \$
Transfers To Reserves			
Annual Leave Reserve	3,943	3,877 #	2,752
Specified Area Reserve	1,026	20,518	-
Office Reserve	714 #	692 #	689
Town Planning Reserve	1,045	1,023 #	780
Leeuwin Reserve	1,271	1,156 #	917
Centennial Reserve	121	144 #	115
Arts & Recreational Community Reserve	19,815	180,433 #	22,477
Legal Funds Reserve			
Long Service Leave Reserve	1,943	1,893 #	2,018
Asbestos Removal Reserve	324	300 #	252
General Reserve	21,400	- #	-
	<u>51,602</u>	<u>210,036</u>	<u>30,000</u>
Transfers from Reserves			
Annual Leave Reserve			
Specified Area Reserve	20,519	20,519	-503,753
Office Reserve			
Town Planning Reserve	20,500		(20,500)
Leeuwin Reserve			
Centennial Reserve			
Arts & Recreational Community Reserve	474,635	142,555	(330,550)
Legal Funds Reserve			
Long Service Leave Reserve	0	0	(15,361)
Asbestos Removal Reserve	6,000	6,472	-6,000
	<u>521,654</u>	<u>169,546</u>	<u>(876,164)</u>
Total Transfer to/(from) Reserves	<u>(470,052)</u>	<u>40,490</u>	<u>(846,164)</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

- Specified Area rate Reserve No 1
 - a Statutory requirement to transfer surplus funds from Specified Area rates to a Reserve Fund.
- Plant Replacement Reserve
 - to be used for the replacement of major items of roadmaking plant.
- Annual Leave Reserve
 - to be used to fund accrued annual leave requirements
- Office Reserve
 - to be used for the purchase of major office equipment
- Long Service Leave Reserve
 - to be used to fund long service leave entitlements of staff.
- Town Planning Reserve
 - to be used to fund expenditure relating to town Planning Scheme reviews.
- Leeuwin Reserve
 - to be used for the funding of major expenditure for the boat ramp located at Centennial Park
- Centennial Reserve
 - to be used to fund expenditure in the Town's Centennial year.
- Arts & Recreation Community Reserve (2003)
 - to fund any major arts or community project
- Legal Costs Reserve
 - to be used for the funding of major legal costs
- Asbestos Removal Reserve
 - to be used to fund any asbestos removal throughout the Town of East Fremantle

7. NET CURRENT ASSETS

	2004/05 Budget	2003/04 Forecast
	\$	\$
Composition of Estimated Net Current Asset Position		
Cash - Unrestricted	152,275	163,636
Cash - Restricted	826,728 0	1,220,837
Receivables	113,990 ##	233,990
	1,092,993	1,618,463
LESS: CURRENT LIABILITIES		
Payables and Provisions	244,983 #	206,840 #
NET CURRENT ASSET POSITION	848,010	1,411,623
Less: Cash - Restricted	826,728	1,220,837
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	21,282	190,786

The estimated surplus/(deficiency) c/fwd in the 2003/04 actual column represents the surplus (deficit) brought forward as at 1 July 2004.

The estimated surplus/(deficiency) c/fwd in the 2004/05 budget column represents the surplus (deficit) carried forward as at 30 June 2005.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005**

8. RATING INFORMATION - 2004/05 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2004/05 Budgeted Rate Revenue \$	2004/05 Budgeted Interim Rates \$	2004/05 Budgeted Back Rates \$	2004/05 Budgeted Total Revenue \$	2003/04 Forecast \$
Differential General Rate								
Residential	8.5300	2,840	31,540,074	2,690,368	37,229		2,727,597	2,521,969
Commercial	10.6700	95	5,260,238	561,267			561,365	564,798
							-	-
							-	-
Sub-Totals		2935	36,800,312	3,251,636	37,229	-	3,288,963	3,086,767
Minimum Rates	Minimum \$							
Residential	551	233	1,291,594	128,383			128,383	126,880
Commercial	688	3	17,940	2,064			2,064	1,947
							-	-
							-	-
Sub-Totals		236	1,309,534	130,447	-	-	130,447	128,827
							3,419,410	3,215,594
								-
							3,419,410	3,215,594
Less - Club Concessions							-	(30,773)
Totals							3,419,410	3,184,821

All land except exempt land in the Town of East Fremantle is rated according to its Gross Rental Value (GRV).

The general rates detailed above for the 2004/05 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

9. SERVICE CHARGES	2004/05 Budget \$	2003/04 Forecast \$
General Purpose Funding	0	
Law Order & Public Safety	1,400	8,573
Community Amenities	116,250	185
Transport	20,000	19,710
Economic Services	43,800	40,317
Other Property & Services	0	0
	<u>181,450</u>	<u>68,785</u>

10. FEES & CHARGES REVENUE	2004/05 Budget \$	2003/04 Actual \$
Governance	61,800	34,017
Law, Order, Public Safety	17,460	10,430
Health	2,400	1,498
Education and Welfare	8,000	12,410
Housing	36,400	31,486
Community Amenities	0	147,990
Recreation & Culture	105,097	18,646
Transport	100,000	81,296
Economic Services	19,209	5,018
Other Properties & Services	52,000	73,778
	<u>402,366</u>	<u>342,790</u>

11. INTEREST CHARGES AND INSTALMENTS - 2004/05 FINANCIAL YEAR

	2004/05 Budget
Late payment Interest %	10%
Installment Charges	\$12
Special Installment Charge	\$40

12. COUNCILLORS' REMUNERATION	2004/05 Budget \$	2003/04 Forecast \$
The following fees, expenses and allowances were paid to council members and/or the president.		
	<i>Per Member</i>	
Councillor Meeting Fees	6,000	48,000
Mayoral Meeting Fees	12,000	12,000
Mayoral Allowance	10,000	10,000
Deputy Mayoral Allowance	2,500	2,500
Expenses Reimbursed	4,536	4,398
	<u>77,036</u>	<u>76,898</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2004/05 Budget \$	2003/04 Forecast \$	2002/03 Budget \$
Cash - Unrestricted	152,275	163,636	391,452
Cash - Restricted	826,728	1,220,837	779,689
	<u><u>979,003</u></u>	<u><u>1,384,473</u></u>	<u><u>1,171,141</u></u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Specified Area Rates	1,026	20,518	-
Plant Replacement Reserve	28	28	28
Annual Leave Reserve	85,601	81,658	74376
Office Reserve	15,936	15,222	13477
Town Planning Reserve	2,293	21,748	12205
Leeuwin Reserve	25,469	24,198	23805
General Reserve	21,566	166	
Centennial Reserve	2,466	2,345	2707
Arts Recreation & Comm Reserve	-	454,820	15446
Long Service Leave Reserve	53,656	51,713	27,204
Asbestos Removal Reserve	1,096	-	6,121
Structural Reform Monies	21,131	48,505	
Trust Funds	340,475	318,516	339,269
Mooring Pens	42,000	32,000	110,000
Bonds	11,009	200	6,926
Footpath Deposits	202,976	149,000	148,000
General Deposits	-	200	125
	<u><u>826,728</u></u>	<u><u>1,220,837</u></u>	<u><u>779,689</u></u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Profit or Loss/Result

Net Profit or (Loss) Result	(77,836)	113,557	(13,119)
Depreciation	666,522	634,806	689,167
(Profit)/Loss on Sale of Asset	(50,411)	(13,651)	(23,927)
(Increase)/Decrease in Receivables	59,974	(29,882)	105,062
(Increase)/Decrease in Inventories			
Increase/(Decrease) in Payables	281,986	(289,949)	(22,264)
Increase/(Decrease) in Employee Provisions			
Grants/Contributions for the Development of Assets	(312,450)	(135,000)	45,000
Net Cash from Operating Activities	<u><u>567,785</u></u>	<u><u>279,881</u></u>	<u><u>779,918</u></u>

(c) Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date	-	-	-
Total Amount of Credit Unused	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2005

14. PRINCIPAL ACTIVITIES PLAN

Council has utilised the Principal Activity Plan to provide a broad overview of its Principal Activities and has included an affordable amount in the 2004-2005 budget.

	Principal Activity Plan	Budget 2004/05
Infrastructure/Travel Management	942,056	1,092,016
Heritage & Conservation	535,966	667,985
Environmental Management	478,065	530,979
Image & Profile	445,322	376,218
Corporate Services	896,907	972,833
Health & Community Services	1,089,868	1,072,715

15. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-03 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-04 \$
Transport Trust	123,311	6,166		129,477
Covered Seating	10,719	536		11,255
Aust Prop	8,728	436		9,164
Town Planning Deposits	16,000	800		16,800
Nomination Deposits	40	480	480	40
Leftbank Rent	159,739	14,000		173,739
	318,537	22,418	480	340,475

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2004

16. MAJOR LAND TRANSACTIONS

There will be no major land transactions during the 2004/2005 Financial Year

17. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

There will be no major undertakings during the 2004/2005 Financial Year.