
TOWN OF EAST FREMANTLE



2010/2011 BUDGET

For the year ending 30th June 2011



Mayoral Message

It is with great pleasure that I introduce the 2010/2011 Council budget to ratepayers and residents of the Town of East Fremantle.

The Council in developing the budget has endeavoured to ensure that the lifestyle enjoyed by East Fremantle residents is maintained and enhanced by continuing to invest in community facilities and public infrastructure, within a balanced budget

This budget has been impacted by the increased State Government charges particularly on utility costs such as electric and gas. In addition there have been many other cost increases which the Town has had to absorb, such as increased waste disposal charges, a much lower return on recycled materials, insurance premiums, and wage rises

To accommodate these costs, whilst improving on Council's current level of service to the community and maintaining the Town's long-term financial viability, Council has been required to increase rates by 6%.

It should be noted the Town has included the cost of rubbish services with its rates, whereas most other local governments impose a separate rubbish service charge, which results in making their level of rates, and their rate increases, appear smaller than they effectively are.

The Town of East Fremantle includes rubbish charges with rates because it provides a significant service to the Town's pensioners by allowing pensioners to claim their pensioner rate rebate on the full amount.

The budget for 2010/2011 is in accordance with Council's 10 year Plan for the Future 2010/2011 – 2019/2020. It also includes initiatives and key projects detailed in the Councils Strategic Plan.

In summary the operating and capital budget for 2010/2011 is \$11,167,304

Operating Budget	\$7,200,353
Capital Budget	\$3,966,951
Total	\$11,167,304

The operating budget is used for community services such as roads, footpaths, cycleways, car parks, traffic management, bus shelters, foreshore maintenance, drainage, street lighting, verge maintenance, street cleaning, street trees and tree watering, graffiti removal, parks and gardens, playgrounds, barbecues, the East Fremantle/Fremantle library and toy library, launching ramp, mooring pens, sporting and recreational facilities, home and community care services, community organisations such as Glyde-In and festivals such as the East Fremantle Festival and Council's services and administration.

The operating projects planned for 2010/11 include a number of town planning related initiatives, including further work on the Town Planning Scheme review, the Municipal Inventory and the Design Guidelines. Funding has been allocated to further progress the East Fremantle Football Oval Development.

Council will continue to provide 3 free green waste and 1 general verge waste collection in 2010/2011. Council will also provide a free tip pass which can be used for general waste at Henderson landfill or green waste at the Regional Resource Recovery Centre.

Council will also continue to support the APACE native plant subsidy scheme and will introduce an electronic waste collection service.

From an infrastructure perspective Council will be carrying out a substantial capital works program in the 2010/2011 financial year totalling \$3,966,951. The major projects include:

• Preston Point Road traffic management works	\$620,192
• Footpath construction program	\$139,978
• Road resurfacing works program	\$255,190
• Leeuwin Launch Ramp upgrade plan	\$338,254
• Stratford St catchment drainage works	\$278,546
• Plympton Steps and park upgrade	\$ 45,000
• Pier Street limestone protection works	\$ 50,000
• Richmond Primary School car park upgrade	\$ 94,700
• Kerbing replacement works	\$ 32,942
• Upgrade of playground equipment	\$ 55,000
• Upgrade of various Council buildings	\$673,186

Some new initiatives in this budget include the installation of 2 photovoltaic cells on Council Buildings, and funding to support the development of a community garden in the Town.

I invite anyone who has queries relating to matters contained within the budget to contact myself, their local ward Councillors or staff at the Town Hall.

In closing I would like to acknowledge the efforts of my elected member colleagues, the Chief Executive Officer and Council staff for their ongoing commitment to the good governance of the Town.

Mayor Alan Ferris
Town of East Fremantle

TOWN OF EAST FREMANTLE 2010/2011 BUDGET SUMMARY

Introduction

The Town of East Fremantle's **2010/11 Budget** is a responsible and considered budget driven by the vision to be a sustainable community. The clear focus is on delivering works and services that are environmentally and financially sustainable in order to meet the challenges of the future.

The general rate increase for **2010/11** is 6.0% (based on 2009/2010 rate revenue) and will generate rate revenue of \$5.1m.

This represents the Town's largest single source of funds and is essential for the Town to deliver services and undertake works.

The **2010/11** expenditure program includes a number of significant projects.

Background

The Town of East Fremantle was established in 1897 and has a population of nearly 7,000, comprises 3,209 properties, 3,369 rate assessments, and is 3.2 square kilometres in area. The Town enjoys 65ha of parks and gardens and utilises 40km of roads.

Budget Overview

The **2010/11 Budget** has been prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 (as amended).

The 2010/11 Budget documentation comprises the following:

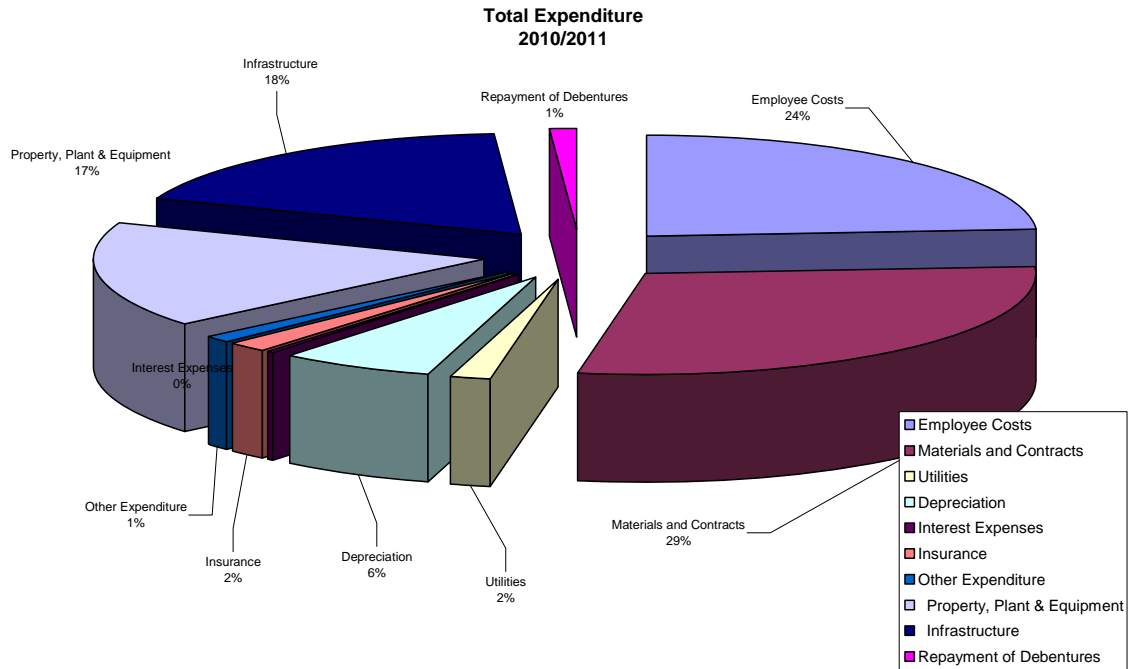
The relevant Statutory Statements (Attachment 1 – Buff/Blue) within this document are:

- Statement of Comprehensive Income by Nature or Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flows
- Rate Setting Statement
- Notes to and forming part of the Budget including a Statement of Rating Information

Additional supporting information is provided in attachments 2 to 4:

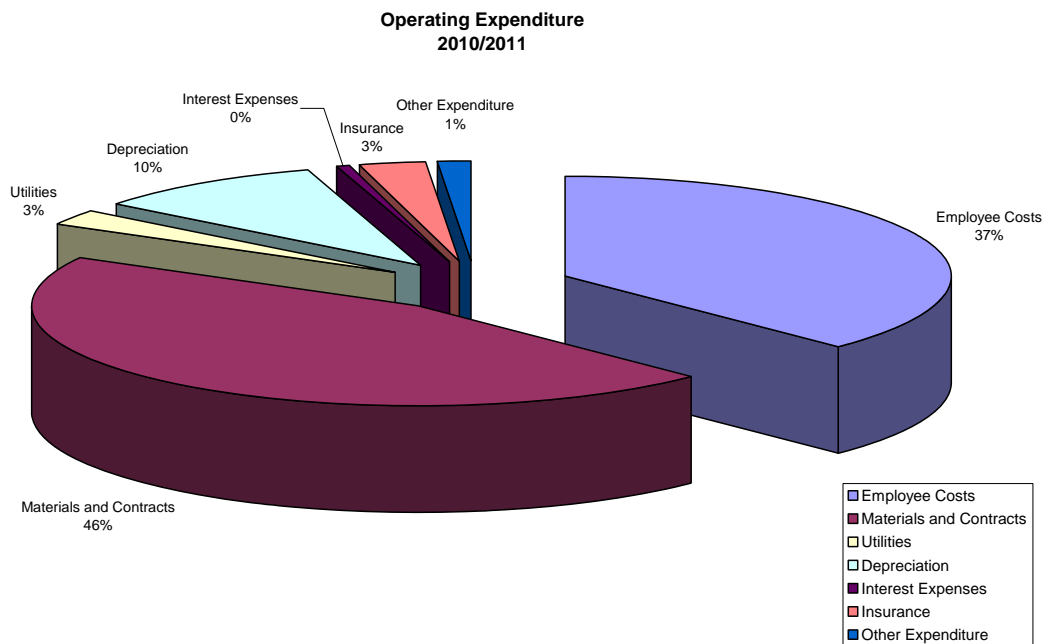
- Operating Income and Expenditure Program summaries (Attachment 2 - White)
- Capital Works & Expenditure detail (Attachment 3 - Pink)
- Schedule of Fees & Charges (Attachment 4 - Yellow)

Total Expenditure



The graph above shows the percentage of total expenditure by nature. Expenditure is categorised into operating and capital and these are described further below.

Operating Expenditure



Operating expenditure including depreciation and loss on disposal of assets totals \$7.2m as shown below.

Key movements generally reflect an economy recovering from the Global Financial Crisis and a downturn in the local economy. Other impacts are as a result of rises in State Government controlled services including electricity, gas and water.

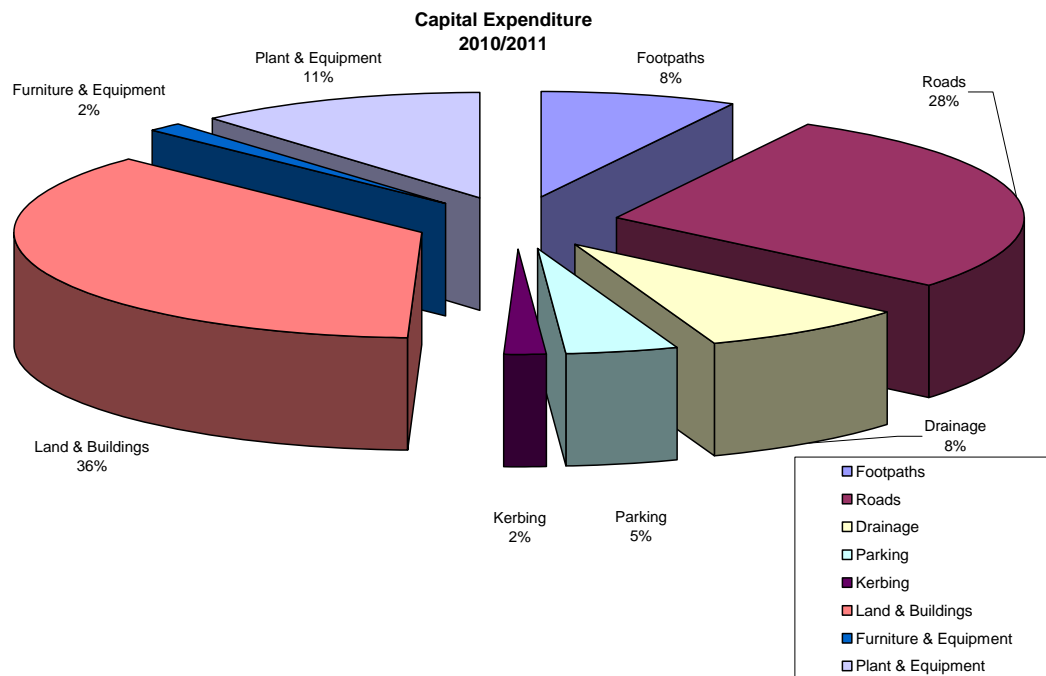
A number of significant operating projects will be completed in 2010/11 including:

- Additional of community events in addition to the East Fremantle Festival \$40,000.
- Introduction of a Community Art Award \$20,000.
- Continuation of the APACE waterwise plant subsidy scheme \$7,500.
- Replacement of the Leeuwin Boat Launching Ramp ticket machines \$17,200.
- Preparation of a Municipal Inventory of heritage properties \$50,000
- Preparation of a Town Centre Urban Design plan \$16,000
- Continuing formulation of the Town of East Fremantle Design Guidelines for adoption by Council \$50,000
- Completion of the Town Planning Scheme 3 review \$30,000

The decrease in interest expense indicates a reduction of principal outstanding on current borrowings.

	2009/10 Budget	2009/10 Budget
Employee Costs	\$2,695,372	\$2,220,359
Materials and Contracts	\$3,275,369	\$3,075,660
Utilities	\$190,000	\$275,031
Depreciation	\$702,205	\$670,670
Interest Expense	\$35,827	\$45,603
Insurance	\$201,180	\$184,700
Loss on Disposal of Assets	\$1,470	0
Other Expenditure	\$99,000	\$99,500
Total	\$7,201,823	\$6,571,523

Capital Expenditure

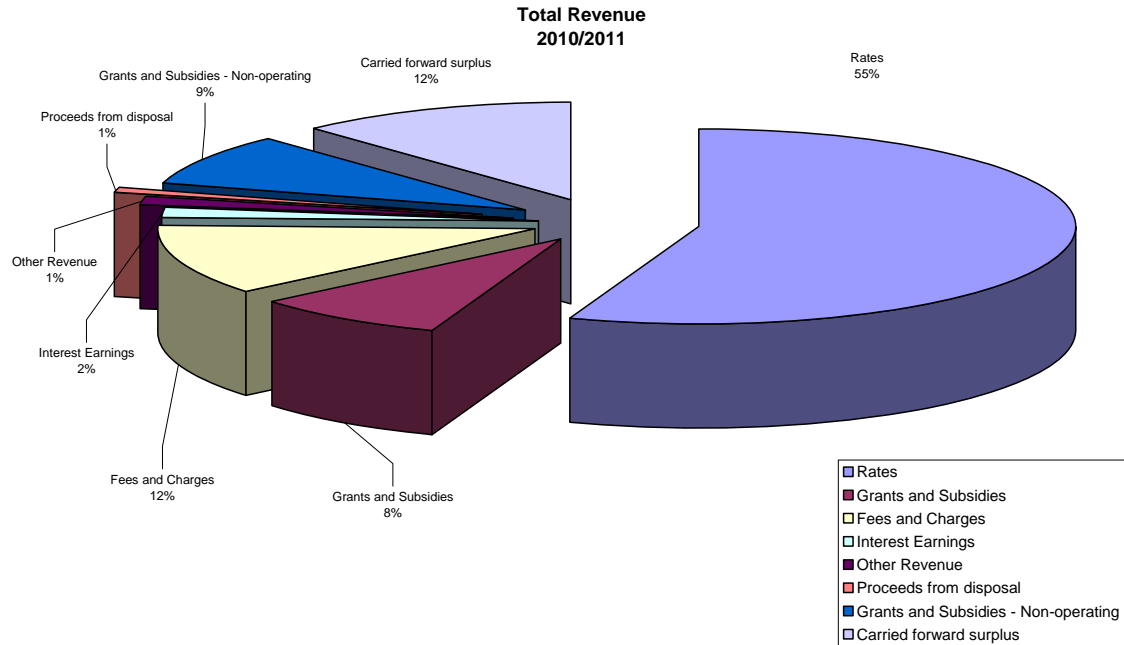


The Capital program expenditure is \$3.967m and includes the following projects. Further detail on individual projects may be found in Attachment 3.

Infrastructure Assets	2010/11 Budget
Preston Point Road roadworks	\$620,192
Footpath resurfacing program	\$139,978
Road resurfacing program	\$255,190
Drainage works	\$278,546
Pier Street Limestone protection works	\$50,000
Leeuwin Boat Ramp Improvements	\$338,254
Kerbing replacement program	\$32,942
East Fremantle Cricket Club car park	\$40,471
Total	\$1,755,573
Land & Buildings	
Upgrade works to Council Buildings and recreational facilities	\$633,186
Capital Purchase - Old Post Office	\$1,200,000
Total	\$1,833,186
Parks & Reserves	
Playground equipment upgrades	\$55,000
Memorial Garden/Beautification works	\$30,978

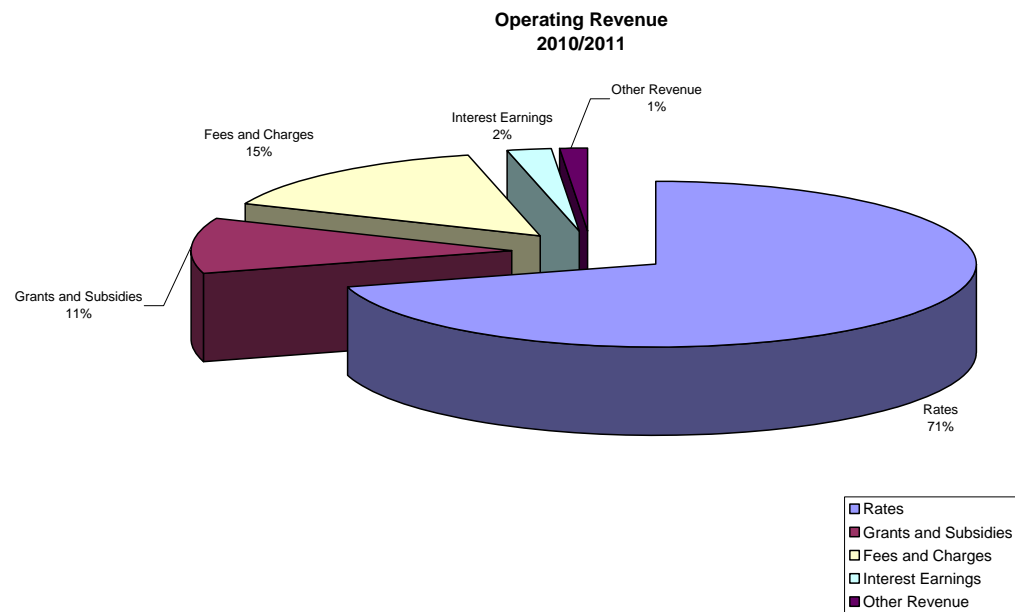
Total	\$85,978
Plant & Equipment	\$224,000
Furniture & Equipment	\$68,214
Total Capital expenditure	\$3,966,951

Total Revenue



The graph above shows the percentage of total revenue by nature. Revenue is categorised into operating and capital and these are described further below.

Operating Revenue



Operating revenue, including profit on disposal of assets, totals \$7.277m as shown below. Key elements include:

- Rates are the major source of income for the Town. Additional rates income will be received as a consequence of a small increase in the number of rateable properties in the Town, a 6.0% increase in the rate-in-the-dollar and minimum rate, and any increases in the GRV of improved properties.
- Fees and charges are the second largest source of income and increases reflect a review of costs to provide the service, and comparison to market rates. Discretionary fees & charges have been increased by an average of 3.0%.
- Interest earnings are anticipated to improve in 2010/11 due to an increase in interest rates on investments.

	2010/11 Budget	2009/10 Budget
Rates	\$5,104,091	\$4,795,777
Operating Grants, Subsidies & Contributions	\$779,944	\$837,031
Fees and Charges	\$1,076,480	\$893,327
Interest Earnings	\$162,000	\$107,000
Other Income	\$108,200	\$166,700
Profit on Sale of Assets	\$46,000	\$40,170
Total	\$7,231,317	\$6,840,185

Capital Revenue

Capital revenue represents revenues directly related to the creation of capital assets. This revenue takes the form of government grants. The Town receives Federal Roads to Recovery, Auslink and Blackspot grants. These are to support construction of roads reaching the end of their economic life and reduce accident blackspots respectively.

	2010/11 Budget	2009/10 Budget
Grants and Subsidies	\$787,922	\$424,862
Total	\$787,922	\$424,862

Reserve Funds

Council has the following six Reserves:

- A Plant Replacement Reserve for the purpose of setting aside funds to fund future replacement of vehicles and plant.
- A Staff Leave Reserve for the purpose of funding staff leave.
- An Office Reserve for the purpose of setting aside funds for purchase and upgrade of ICT equipment.
- A Civic Buildings Reserve for the purpose of providing and developing community assets.
- A Strategic Plan Reserve for the purpose of providing funding to projects identified in the Strategic Plan.
- A Legal Fees Reserve for the purpose of funding legal fees.

	Transfer to Reserve	Transfer from Reserve
Plant Replacement Reserve	\$104,814	\$41,000
Staff Leave Reserve	\$7,146	Nil
Office Reserve	\$26,724	Nil
Civic Buildings Reserve	\$62,822	\$234,000
Strategic Plan Reserve	\$5,494	\$123,298
Total	\$181,000	\$398,298

Conclusion

The Town of East Fremantle's 2010/11 Budget is focused on preserving service delivery levels and managing community assets consistent with ensuring the financial and environmental sustainability of the Town.