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# TOWN OF EAST FREMANTLE

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## **2011/2012 BUDGET**

For the year ending 30<sup>th</sup> June 2012



## Mayoral Message

I am pleased to introduce the 2011/12 Town of East Fremantle Council budget to the ratepayers and residents of the Town.

In this balanced budget, the Council has sought to ensure the current high level of Council services and community facilities is maintained and necessary capital works provided for.

Rates have increased by 5% this year, in part due to increased charges, which Council has had to absorb, such as higher electricity costs, waste disposal charges, wages and insurance premiums, together with increased costs generally. The 5% increase is consistent with most other local governments and is considered the minimum increase necessary to maintain the long-term financial viability of the Town.

The budget for 2011/12 is in accordance with the Town's *Plan for the Future of the District 2010/11–2019/20*; and initiatives and key projects included in the strategic plan 2008–2012.

In summary, the operating and capital budget for 2011/12 is \$11,803,000.

Operating budget	\$ 7,189,000
Capital budget	\$ 4,614,000
Total	\$11,803,000

The operating budget is used for community services and infrastructure such as Council services and administration, waste management, 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, East Fremantle/Fremantle lending library and toy library, launching ramp, mooring pens, sporting and recreational facilities, home and community care services, community organisations such as Glyde-In, and events such as the East Fremantle Festival.

The operating projects planned for 2011/12 include a number of town planning related initiatives, including funding to progress the East Fremantle Oval Masterplan, Residential Design Guidelines, Scheme Density Review and the Town Centre Urban Design Study.

In accordance with the Town's commitment to sustainability, we will continue to provide three free green waste collections and one general verge waste collection during 2011/12. As a member of the South Metropolitan Regional Centre (SMRC), we will also provide a free tip pass, which can be used at Henderson Waste Recovery Park or the Regional Resource Recovery Centre (RRRC), which will accept green waste. The SMRC diverts waste from landfill and saves greenhouse gas emissions. These climate change abatement measures are for the benefit of all residents of the Town.

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

The Town will also be carrying out an extensive capital works program during the 2011/12 financial year totalling \$4,614,000. Major projects include:



If you would like to discuss any aspects of the budget, you can contact me, your local ward councillor or staff at the Town Hall.

Finally, I would like to acknowledge the commitment of the elected members and the dedication of the Chief Executive Officer and his staff in their service to the Town.

**Mayor Alan Ferris**  
**Town of East Fremantle**



**TOWN OF EAST FREMANTLE**  
**2011/2012 BUDGET**  
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# *Mayor & Councillors*

## **Mayor                    2009-2013**

**Mayor Alan Ferris                    9339 0595**  
1 Polo Way  
East Fremantle WA 6158

## **Councillors            2007-2011**

### ***Plympton Ward***

**Cr Siân Martin                    9339 3950**  
16 Sewell Street  
East Fremantle WA 6158

## **2009-2013**

**Cr Robert Lilleyman                    9339 7846**  
4 Polo Way  
East Fremantle WA 6158

### ***Preston Point Ward***

**Cr Barry de Jong                    9438 1516**  
2 Chauncy Street  
East Fremantle WA 6158

**Cr Alex Wilson                    9339 1156**  
46 Locke Crescent  
East Fremantle WA 6158

### ***Richmond Ward***

**Cr Cliff Collinson                    9339 6452**  
48 King Street  
East Fremantle WA 6158

**Cr Richard Olson                    9339 6681**  
4/46 Alexandra Road  
East Fremantle WA 6158

### ***Woodside Ward***

**Cr Maria Rico                    9339 4413**  
11 Petra Street  
East Fremantle WA 6158

**Cr Dean Nardi                    9339 5632**  
120 Marmion Street  
East Fremantle WA 6158

# TOWN OF EAST FREMANTLE 2011/2012 BUDGET SUMMARY

## ***Introduction***

The Town of East Fremantle's **2011/12 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 **2011/12** is 5.0% (based on 2010/2011 rate revenue) and will generate rate revenue of \$5.3m.

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

The **2011/12** 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, 3,399 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 **2011/12 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 2011/12 Budget documentation comprises the following:

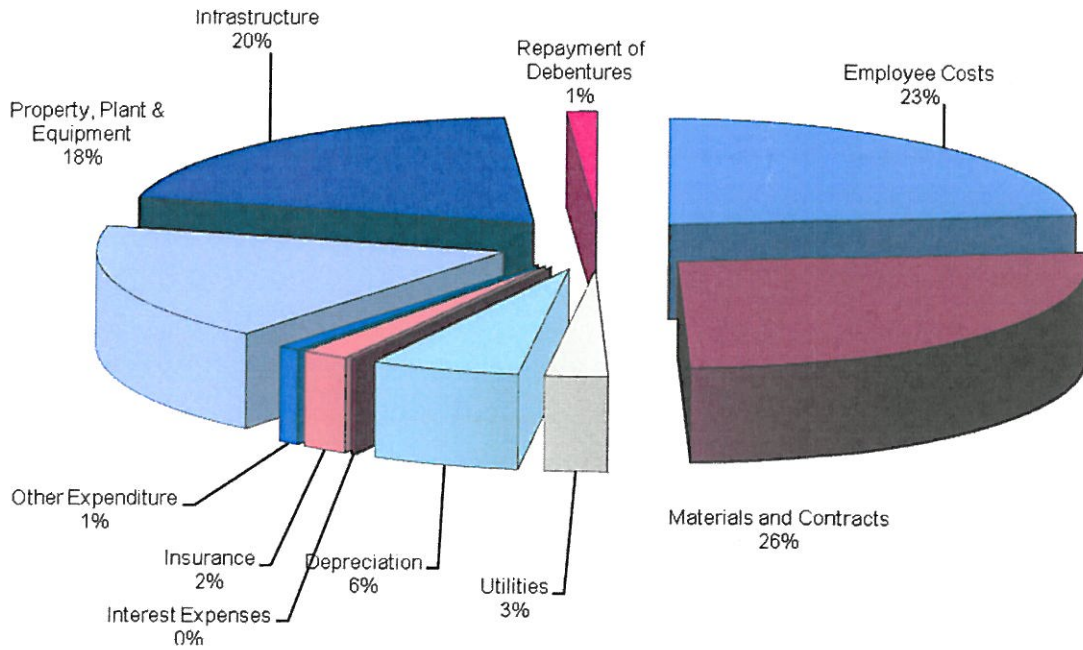
The relevant Statutory Statements (Attachment 1 – Buff/Blue) within this document are:

- 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:

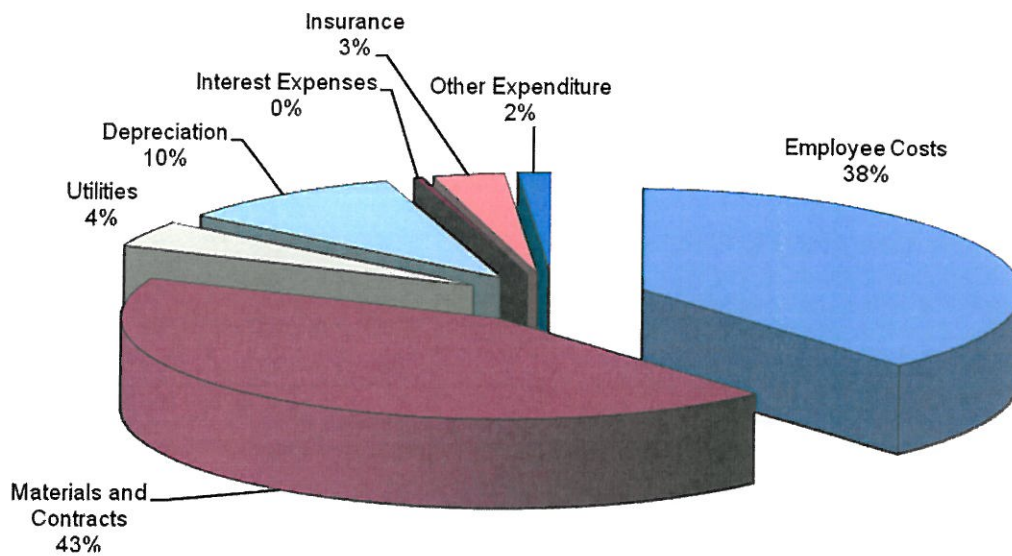
- Operating Income and Expenditure Program summaries (Attachment 2 - White)
- Capital Works & Expenditure detail (Attachment 3 - Pink)
- Schedule of Fees & Charges (Attachment 4 - Yellow)

## 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 continuing to recover from the Global Financial Crisis and improving investment interest rates. Other impacts are as a result of rises in State Government controlled services including electricity, gas and water, combined with significant increases in insurance costs.

A number of significant operating projects will be completed in 2011/12 including:

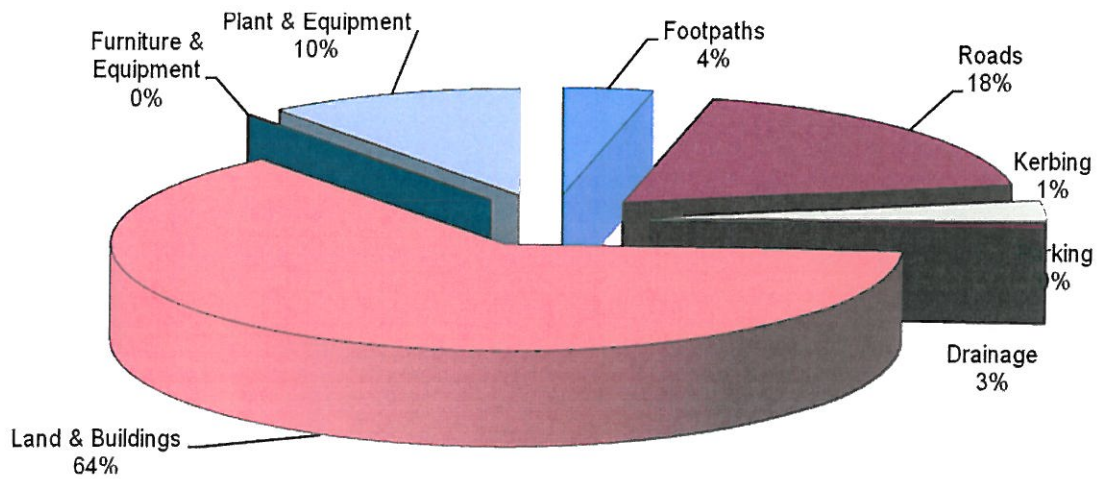
- Additional of community events in addition to the East Fremantle Festival \$40,000.
- Introduction of a Community Art Award \$20,000.
- Continuation of the APACE waterwise plant subsidy scheme \$2,500.
- Preparation of a Municipal Inventory of heritage properties \$50,000
- Preparation of a Town Centre Urban Design plan \$12,000
- Formulation of the Town of East Fremantle Design Guidelines for adoption by Council \$50,000
- Infill Density Survey \$30,000
- Fair Trade certification \$2,500
- Town Planning Scheme 3 review \$30,000

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

	<b>2011/12 Budget</b>	<b>2010/11 Budget</b>
Employee Costs	\$2,743,512	\$2,695,372
Materials and Contracts	\$3,102,621	\$3,275,369
Utilities	\$293,510	\$190,500
Depreciation	\$695,471	\$702,205
Interest Expense	\$28,592	\$35,827
Insurance	\$221,140	\$201,180
Loss on Disposal of Assets	\$2,063	\$1,470
Other Expenditure	\$102,000	\$99,000
<b>Total</b>	<b>\$7,188,909</b>	<b>\$7,201,823</b>



## Capital Expenditure

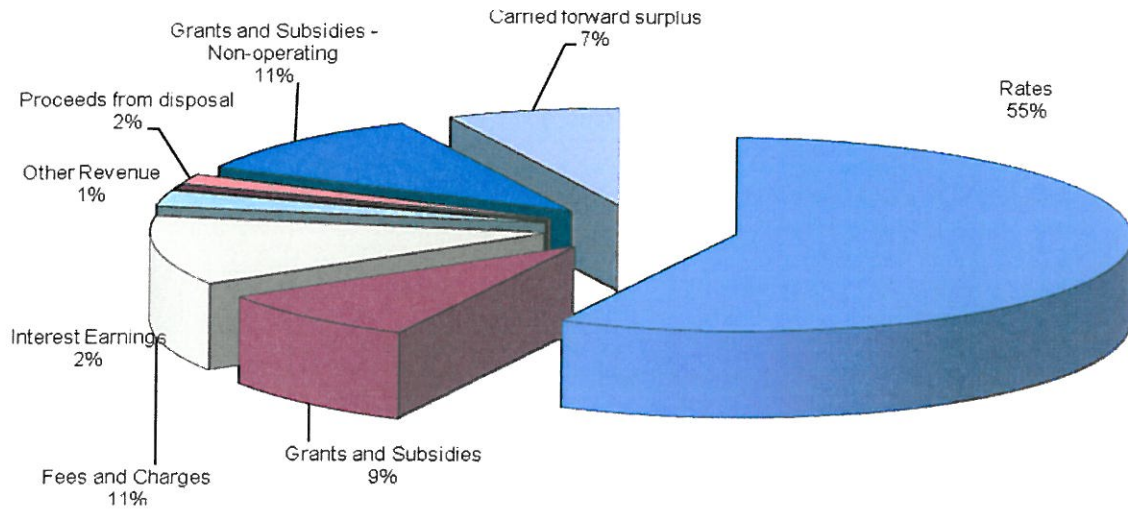


The Capital program expenditure is \$4.614m and includes the following projects. Further detail on individual projects may be found in Attachment 3.

Infrastructure Assets	2011/12 Budget
Petra Street roadworks	\$227,739
Footpath resurfacing program	\$168,160
Road resurfacing program	\$123,475
Drainage works	\$140,724
Pier Street Limestone protection works	\$69,500
Pier St/Preston Pt Rd Roundabout	\$237,246
Riverside Road	\$148,942
<b>Total</b>	<b>\$1,115,786</b>
<b>Land &amp; Buildings</b>	
Upgrade works to Council Buildings and recreational facilities	\$1,316,490
Capital Purchase - Old Post Office	\$1,200,000
<b>Total</b>	<b>\$2,516,490</b>
<b>Parks &amp; Reserves</b>	

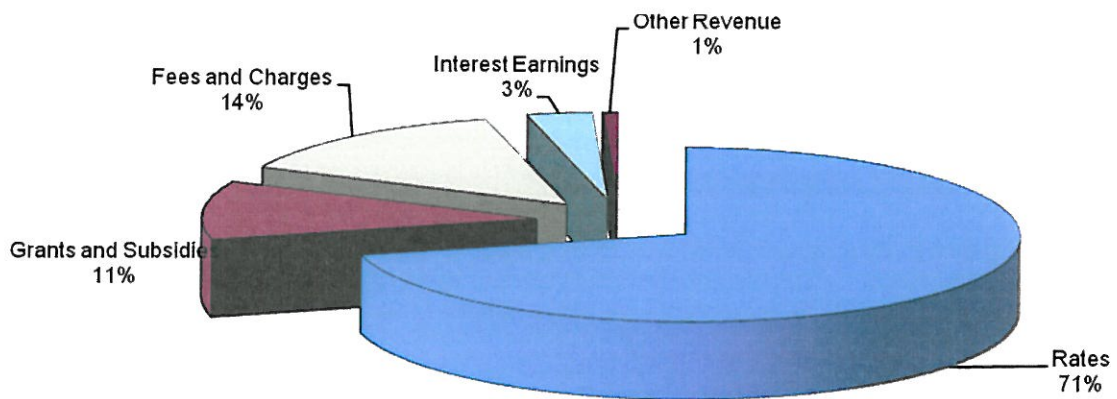
Playground equipment upgrades	\$87,816
Parks works	\$39,041
<b>Total</b>	<b>\$126,857</b>
<b>Plant &amp; Equipment</b>	<b>\$477,450</b>
<b>Furniture &amp; Equipment</b>	<b>\$8,000</b>
<b>Total Capital expenditure</b>	<b>\$4,244,583</b>

## 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 \$7.620m 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 5.0% increase in the rate-in-the-dollar and minimum rate, and any increases in the GRV of improved properties. A revaluation of GRVs was undertaken by the Valuer General.
- 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 4.0%.
- Interest earnings are anticipated to improve in 2011/12 due to an increase in interest rates on investments.

	<b>2011/12 Budget</b>	<b>2010/11 Budget</b>
Rates	\$5,371,774	\$5,104,091
Operating Grants,Subsidies & Contributions	\$824,581	\$779,944
Fees and Charges	\$1,077,478	\$1,076,480
Interest Earnings	\$240,000	\$162,000
Other Income	\$57,292	\$108,200
Profit on Sale of Assets	\$48,559	\$46,000
<b>Total</b>	<b>\$7,619,684</b>	<b>\$7,231,317</b>

### ***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.

	<b>2011/12 Budget</b>	<b>2010/11 Budget</b>
Grants and Subsidies	\$993,776	\$787,922
<b>Total</b>	<b>\$993,776</b>	<b>\$787,922</b>

## **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.

	<b>Transfer to Reserve</b>	<b>Transfer from Reserve</b>
Plant Replacement Reserve	\$103,347	\$208,450
Staff Leave Reserve	\$7,146	Nil
Office Reserve	\$27,873	Nil
Civic Buildings Reserve	\$80,264	\$451,500
Strategic Plan Reserve	\$7,960	\$238,000
Legal Costs Reserve	\$3,859	Nil
HACC Reserve	\$5,141	Nil
<b>Total</b>	<b>\$228,244</b>	<b>\$897,950</b>

## **Conclusion**

The Town of East Fremantle's 2011/12 Budget is focused on preserving service delivery levels and managing community assets consistent with ensuring the financial and environmental sustainability of the Town.