



Budget 2025-26

CITY OF FREMANTLE
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5

VISION

A liveable city that is vibrant, socially connected and desirable
A thriving city with a prosperous and innovative economy
A creative city that is inspiring, diverse and dares to be different
A resilient city that plans for the future and is empowered to take action
An inclusive city that welcomes, celebrates and cares for all people,
cultures and abilities.

CITY OF FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2025/26 Budget	2024/25 Estimate	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	67,538,194	63,174,440	63,521,561
Grants, subsidies and contributions		8,791,568	3,174,825	3,691,053
Fees and charges	17	26,448,888	27,291,567	25,638,793
Service charges	2(e)	1,808,804	8,804	8,804
Interest revenue	10(a)	2,410,000	3,384,359	2,021,000
Other revenue		2,169,602	2,508,068	1,828,105
		109,167,056	99,542,063	96,709,316
Expenses				
Employee costs		(51,412,087)	(47,548,338)	(49,394,227)
Materials and contracts		(40,773,662)	(36,839,423)	(33,994,809)
Utility charges		(2,461,244)	(2,183,433)	(2,183,433)
Depreciation	6	(21,932,500)	(22,295,343)	(22,295,343)
Finance costs	10(c)	(387,016)	(397,972)	(397,677)
Insurance		(1,244,257)	(1,117,409)	(1,192,409)
Other expenditure		(1,332,640)	(1,445,714)	(1,478,814)
		(119,543,406)	(111,827,632)	(110,936,712)
		(10,376,350)	(12,285,569)	(14,227,396)
Capital grants, subsidies and contributions		9,650,034	3,909,080	4,967,186
Profit on asset disposals	5	64,377	19,545	0
Loss on asset disposals	5	(281,125)	(30,843)	0
		9,433,286	3,897,782	4,967,186
Net result for the period		(943,064)	(8,387,787)	(9,260,210)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(943,064)	(8,387,787)	(9,260,210)

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

CITY OF FREMANTLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

		2025/26	2024/25	2024/25
	Note	Budget	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
		\$	\$	\$
Rates		67,538,194	61,738,014	63,496,561
Grants, subsidies and contributions		8,991,568	3,333,217	3,684,836
Fees and charges		26,448,888	27,291,567	25,638,793
Service charges		1,808,804	8,804	8,804
Interest revenue		2,410,000	3,384,359	2,021,000
Goods and services tax received		4,500,000	4,500,000	4,500,000
Other revenue		2,169,602	2,508,068	1,828,105
		113,867,056	102,764,029	101,178,099
Payments				
Employee costs		(51,212,087)	(46,770,141)	(48,944,227)
Materials and contracts		(40,373,662)	(37,862,868)	(33,594,809)
Utility charges		(2,461,244)	(2,183,433)	(2,183,433)
Finance costs		(387,016)	(323,427)	(397,677)
Insurance paid		(1,244,257)	(1,117,409)	(1,192,409)
Goods and services tax paid		(4,500,000)	(4,500,000)	(4,500,000)
Other expenditure		(1,332,640)	(1,445,714)	(1,478,814)
		(101,510,906)	(94,202,992)	(92,291,369)
Net cash provided by operating activities	4	12,356,150	8,561,037	8,886,730
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(9,345,193)	(7,908,733)	(8,115,051)
Payments for construction of infrastructure	5(b)	(18,240,900)	(6,927,424)	(8,611,689)
Payments for purchase of investment property	5(d)	(1,590,324)	(361,149)	(2,446,910)
Capital grants, subsidies and contributions		5,650,034	4,250,443	4,069,314
Proceeds from sale of inventory - land held for resale	5(e)	0	0	4,350,000
Proceeds from sale of property, plant and equipment	5(a)	200,000	104,890	0
Proceeds on disposal of financial assets at fair value through profit and loss		0	0	4,000,000
Net cash (used in) investing activities		(23,326,383)	(10,841,973)	(6,754,336)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(1,337,806)	(1,639,060)	(1,639,060)
Payments for principal portion of lease liabilities	8	(713,159)	(595,510)	(625,161)
Proceeds on disposal of financial assets at amortised cost - term deposits		8,000,000	11,871,979	1,117,464
Net cash provided by (used in) financing activities		5,949,035	9,637,409	(1,146,757)
Net increase (decrease) in cash held		(5,021,198)	7,356,473	985,637
Cash at beginning of year		17,896,139	10,539,666	6,919,370
Cash and cash equivalents at the end of the year	4	12,874,941	17,896,139	7,905,007

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

CITY OF FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2025/26 Budget	2024/25 Estimate	2024/25 Budget
		\$	\$	\$
General rates	2(a)(i)	58,617,336	54,497,661	54,848,112
Rates excluding general rates	2(a)	8,920,858	8,676,779	8,673,449
Grants, subsidies and contributions		8,791,568	3,174,825	3,691,053
Fees and charges	17	26,448,888	27,291,567	25,638,793
Service charges	2(e)	1,808,804	8,804	8,804
Interest revenue	10(a)	2,410,000	3,384,359	2,021,000
Other revenue		2,169,602	2,508,068	1,828,105
Profit on asset disposals	5	64,377	19,545	0
		109,231,433	99,561,608	96,709,316

Expenditure from operating activities

Employee costs		(51,412,087)	(47,548,338)	(49,394,227)
Materials and contracts		(40,773,662)	(36,839,423)	(33,994,809)
Utility charges		(2,461,244)	(2,183,433)	(2,183,433)
Depreciation	6	(21,932,500)	(22,295,343)	(22,295,343)
Finance costs	10(c)	(387,016)	(397,972)	(397,677)
Insurance		(1,244,257)	(1,117,409)	(1,192,409)
Other expenditure		(1,332,640)	(1,445,714)	(1,478,814)
Loss on asset disposals	5	(281,125)	(30,843)	0
		(119,824,531)	(111,858,475)	(110,936,712)

Non cash amounts excluded from operating activities

	3(c)	22,224,248	22,381,641	22,370,343
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Amount attributable to operating activities

11,631,150 **10,084,774** **8,142,947**

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		9,650,034	3,909,080	4,967,186
Proceeds from disposal of property, plant and equipment	5(a)	200,000	104,890	0
Proceeds from disposal of inventory - land held for resale	5(e)	0	0	4,350,000
		9,850,034	4,013,970	9,317,186

Outflows from investing activities

Right of use assets received - non cash	5(c)	(560,000)	(1,570,000)	0
Payments for property, plant and equipment	5(a)	(9,345,193)	(7,908,733)	(8,115,051)
Payments for construction of infrastructure	5(b)	(18,240,900)	(6,927,424)	(8,611,689)
Payments for investment property	5(d)	(1,590,324)	(361,148)	(2,446,910)
		(29,736,417)	(16,767,305)	(19,173,650)

Non-cash amounts excluded from investing activities

	3(d)	560,000	1,570,000	(4,000,000)
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Amount attributable to investing activities

(19,326,383) **(11,183,335)** **(13,856,464)**

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new leases - non cash	8	560,000	1,570,000	0
Transfers from reserve accounts	9(a)	5,894,251	3,504,665	3,811,328
		6,454,251	5,074,665	3,811,328

Outflows from financing activities

Repayment of borrowings	7(a)	(1,337,806)	(1,639,060)	(1,639,060)
Payments for principal portion of lease liabilities	8	(713,159)	(595,510)	(625,161)
Transfers to reserve accounts	9(a)	(1,898,116)	(5,912,693)	(4,693,863)
		(3,949,081)	(8,147,263)	(6,958,084)

Non-cash amounts excluded from financing activities

	3(e)	(560,000)	(1,570,000)	0
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Amount attributable to financing activities

1,945,170 **(4,642,598)** **(3,146,756)**

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

	3	5,830,053	11,571,212	8,923,468
Amount attributable to operating activities		11,631,150	10,084,774	8,142,947
Amount attributable to investing activities		(19,326,383)	(11,183,335)	(13,856,464)
Amount attributable to financing activities		1,945,170	(4,642,598)	(3,146,756)
Surplus/(deficit) remaining after the imposition of general rates	3	79,990	5,830,053	63,195

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

**CITY OF FREMANTLE
FOR THE YEAR ENDED 30 JUNE 2026
INDEX OF NOTES TO THE BUDGET**

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	7
Note 3	Net Current Assets	12
Note 4	Reconciliation of cash	15
Note 5	Property, Plant and Equipment	16
Note 6	Depreciation	17
Note 7	Borrowings	18
Note 8	Lease Liabilities	20
Note 9	Reserve Accounts	21
Note 10	Other Information	23
Note 11	Council Members Remuneration	24
Note 12	Trading Undertakings and Major Trading Undertakings	25
Note 13	Investment in Associates	26
Note 14	Trust Funds	27
Note 15	Revenue and Expenditure	28
Note 16	Program Information	30
Note 17	Fees and Charges	31

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

1 BASIS OF PREPARATION

The annual budget of the City of Fremantle which is a Class 1 local government is a forward looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the annual budget.

2024/25 actual balances

Balances shown in this budget as 2024/25 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

Statement of Cashflows

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements
- AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures

It is not expected these standards will have an impact on the annual budget.

- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities, became mandatory during the budget year. Amendments to AASB 13 Fair Value Measurement impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards - Standards – Annual Improvements Volume 11

It is not expected these standards will have an impact on the annual budget.

Critical accounting estimates and judgements

The preparation of the annual budget 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.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
- Expected credit losses on financial assets
- Assets held for sale
- Impairment losses of non-financial assets
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Estimate total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Residential Improved	Gross rental valuation	0.087664	9,649	304,395,365	26,684,515	80,000	26,764,515	25,648,573	25,991,069
Commercial & Industrial General	Gross rental valuation	0.118877	1,440	151,756,103	18,040,309		18,040,309	17,200,375	17,209,260
City Centre Commercial	Gross rental valuation	0.118877	359	87,399,903	10,389,838	820,000	11,209,838	9,898,623	9,898,625
Residential Short Term Accommodation	Gross rental valuation	0.118835	449	11,832,026	1,406,059		1,406,059	594,169	597,995
Vacant Residential Land	Gross rental valuation	0.151417	148	4,286,490	649,047		649,047	649,640	644,882
Vacant Commercial & Industrial	Gross rental valuation	0.175327	38	3,123,125	547,568		547,568	506,281	506,281
Total general rates			12,083	562,793,012	57,717,336	900,000	58,617,336	54,497,661	54,848,112
		Minimum \$							
(ii) Minimum payment									
Residential Improved	Gross rental valuation	1,825.00	4,296	76,607,212	7,840,200		7,840,200	7,671,532	7,666,318
Commercial & Industrial General	Gross rental valuation	1,825.00	353	4,088,752	644,225		644,225	613,514	613,514
City Centre Commercial	Gross rental valuation	1,825.00	67	734,456	122,275		122,275	116,446	116,446
Residential Short Term Accommodation	Gross rental valuation	1,825.00	63	904,020	114,975		114,975	57,354	59,092
Vacant Residential Land	Gross rental valuation	1,770.00	88	798,125	155,760		155,760	168,500	156,705
Vacant Commercial & Industrial	Gross rental valuation	1,825.00	12	85,450	21,900		21,900	20,856	20,856
Total minimum payments			4,879	83,218,015	8,899,335	0	8,899,335	8,648,202	8,632,931
Total general rates and minimum payments			16,962	646,011,027	66,616,671	900,000	67,516,671	63,145,863	63,481,043
(iii) Specified area rates									
CBD Security Levy		0.001529			157,409		157,409	149,725	149,725
Leighton Maintenance		0.006614			89,312		89,312	85,059	85,059
Total specified area rates			0	0	246,721	0	246,721	234,784	234,784
					66,863,392	900,000	67,763,392	63,380,647	63,715,827
Concessions (Refer note 2(f))							(225,198)	(206,207)	(194,266)
Total rates					66,863,392	900,000	67,538,194	63,174,440	63,521,561
Instalment plan charges							130,000	125,660	122,660
Instalment plan interest							435,000	420,000	300,000
Late payment of rate or service charge interest							125,000	115,000	102,500
							690,000	660,660	525,160

*Rateable Value at time of adopting budget.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV).

The general rates detailed for the 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Option 1 (Full Payment)

Full amount of rates and charges, including arrears, to be paid on or before 05 September 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later.

Option 2 (Two Instalments)

First Instalment to be paid on or before 05 September 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears; and
Second Instalment to be paid on or before 16 January 2026, or 2 months after the due date of the first instalment, whichever is later.

Option 3 (Four Instalments)

First Instalment to be paid on or before 05 September 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears; and
Second Instalment to be paid on or before 14 November 2025, or 2 months after the due date of the first instalment, whichever is later.
Third Instalment to be paid on or before 16 January 2026, or 2 months after the due date of the second instalment, whichever is later.
Fourth Instalment to be paid on or before 20 March 2026, or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	5/09/2025	0	0.0%	11.0%
Option two				
First instalment	5/09/2025	0	0.0%	11.0%
Second instalment	16/01/2026	14.40	5.5%	11.0%
Option three				
First instalment	5/09/2025	0	0.0%	11.0%
Second instalment	14/11/2025	14.40	5.5%	11.0%
Third instalment	16/01/2026	14.40	5.5%	11.0%
Fourth instalment	20/03/2026	14.40	5.5%	11.0%
Option four				
Weekly by direct debit of 40 payments **		32.00	5.5%	11.0%
** Weekly payments on Friday commencing 5 September 2025 with final payment on 5 June 2026 (40 repayments)				
Option five				
Fortnightly by direct debit of 20 payments **		32.00	5.5%	11.0%
**Fortnightly payments on Friday commencing 5 September 2025 with final payment on 29 May 2026 (20 repayments)				

INSTALMENTS FOR TARGETED UNDERGROUND POWER PROJECT

In accordance with section 6.50 of the *Local Government Act 1995*, the City will issue a service charge each year for seven years being due and payable within that financial year. The above instalment options apply within the financial year.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the City the following rate categories have been determined for the implementation of differential rating.

(i) Differential general rate

Description	Characteristics	Objects
Residential Improved	The residential improved differential general rate applies to land that is used for residential purposes under the Local Planning Scheme No. 4 however may be located in any zone and is valued on a Gross Rental Value basis (GRV).	This rate is set on the basis that all ratepayers make a reasonable contribution to the cost of local government services and facilities available to residents. It is the City's benchmark by which all other GRV rate properties are assessed.
Commercial and Industrial General	The commercial and industrial differential general rate applies to all commercial and industrial properties that are zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes, and which are not specifically covered by any other differential rate and is valued on a Gross Rental Value basis (GRV).	The object of this rate is to ensure there is a reasonable contribution towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements, transport links, costs associated with economic development initiatives and marketing.
City Centre Commercial	The City Centre Commercial differential general rate applies to all properties other than residential located within the boundaries of the City Centre zone and the abutting Metropolitan Regional reserves being areas bounded by Parry Street, Norfolk Street and including those properties located in Fremantle Fishing Boat and Challenger Harbours and on Victoria Quay.	The object of this rate is to ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements and transport links.
Residential Short Term Accommodation	The residential short term accommodation differential general rate applies to land zoned residential where a purpose for which the land is held or used is to offer home short stay accommodation primarily for tourism experiences. This is applicable to anyone that has an active registration on 1 July on the WA Government Short Term Rental Accommodation Register portal and applies for the full financial year.	The object of this rate is to ensure the owners of residential land wholly or partly used for the commercial purpose of short stay accommodation contribute to costs associated with economic development initiatives and marketing.
Vacant Residential	The vacant residential land differential general rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for residential purposes.	The City considers the development of all vacant rateable land to be in the best interests of the community as it will improve increase the vibrancy of the City and neighbourhood centres.
Vacant Commercial and Industrial Vacant	The vacant commercial and industrial land differential general rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes and is valued on a Gross Rental Value basis (GRV).	The city considers the development of vacant commercial and industrial rateable land in the best interests of the community therefore has set a rate higher than that which applies to developed commercial and industrial properties.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
	\$	\$	\$		
Specified area rate					
CBD Security Levy	157,409	0	0	To fund a safety and security strategy for a specified area of the Fremantle CBD	Bounded by Parry Street, South Terrace, Suffolk Street, Fishing Boat Harbour (West of Mews Road) and along the coast to Bathers Beach, Fleet Street, Phillimore Street and Elder Place
Leighton Maintenance	0	89,312	(61,000)	To fund the above normal costs associated with maintaining the higher standard of landscaping of the Leighton Residential Area	All properties within the Leighton Beach area and that as this time are located on Port Beach Road, Leighton Beach Boulevard and Freeman Loop
	157,409	89,312	(61,000)		

(e) Service Charges

	Amount of charge	2025/26 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2024/25 Estimate revenue	2024/25 Budget revenue
	\$	\$	\$	\$	\$	\$	\$
Service charge							
Community Bore	124	8,804	4,000	8,804	(4,000)	8,804	8,804
Underground power South Fremantle and Fremantle South	Refer to Table 1 Below	1,800,000	0	1,800,000	0	0	0
		1,808,804	4,000	1,808,804	(4,000)	8,804	8,804

Table 1

Category	Transmission Service Charge per property	Connection Service Charge per property (if applicable)
	\$	\$
Single residential – 7.7 Kva	421.40	612
Multi Dwelling (2-4 Units) – 6.2 Kva	339.31	612
Multi Dwelling (5-10 Units) – 4.4 Kva	240.80	612
Multi Dwelling (10+ Units) – 4 Kva	218.91	612
Micro/Shop House - GRV under \$50K	421.40	612
Small - GRV \$50K - \$100K	842.80	612
Medium - GRV \$100K - \$1 million	1,264.20	612
Large - GRV over \$1 million	1,685.60	612

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Community Bore	To apply a service charge on those dwellings making use of the bore within the White Gum Valley development.	To fund the associated costs required to maintain the community bore within the White Gum Valley development.	All lots within Landcorp's White Gum Valley development (former Kim Beasley School Site) between Hope Street, Wongan Avenue, Watkins Street and Yalgoo Avenue in White Gum Valley.
Underground power South Fremantle and Fremantle South	To apply a service charge on those properties identified in the project area for the South Fremantle Targeted Underground Power Program (TUPP).	To fund the associated project costs required to complete the undergrounding of power in the project area.	Please refer to APPENDIX 1 at the end of this report for details on properties included in the project boundary.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/Concession	Discount %	Discount (\$)	2025/26 Budget	2024/25 Estimate	2024/25 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Australian Touristic Attractions Pty Ltd	Rate	Concession	100.0%	0	\$ 0	\$ 6,720	\$ 6,718	Gross Lease - Rates & ESL	This property had been granted leases on a gross rental basis that includes annual rates and levies.
South Fremantle Football Club	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	Sporting clubs became rateable when the Local Government Act 1995 came into fruition. Rating of the sporting clubs commenced in May 2006 however at the same time due to the community benefits provided by the clubs, these rates were waived.
Department of Planning and Heritage (owner) - Fremantle Prison - Model Railway	Rate	Concession	100.0%	892	892	849	854	Sporting Clubs - Rates	
Department of Planning and Heritage (owner) - Fremantle Prison - Childrens Literature	Rate	Concession	100.0%	10,832	10,832	10,316	10,375	Sporting Clubs - Rates	
Fremantle Voulnteer Sea Rescue Group Incorporated	Rate	Concession	100.0%	3,516	3,516	3,348	3,367	Sporting Clubs - Rates	
Hilton Park Bowling & Recreation Club Incorporated	Rate	Concession	100.0%	8,720	8,720	8,304	8,352	Sporting Clubs - Rates	
Apace WA Incorporated	Rate	Concession	100.0%	9,807	9,807	9,340	9,394	Sporting Clubs - Rates	
Fremantle Netball Association Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	
Royal Fremantle Golf Course Pty Ltd	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	
Fremantle Hockey Club Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	
Fremantle Surf Life Saving Club Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	
Fremantle United Soccer & Recreational Club Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	11,949	12,000	Sporting Clubs - Rates	
North Fremantle Associated Clubs Incorporated	Rate	Concession	100.0%	4,161	4,161	3,963	3,985	Sporting Clubs - Rates	Concessions adopted during 2025/26 financial year onwards are capped at \$12,000pa maximum per ratepayer.
North Fremantle Football - Caretaker Quarters Grandstand	Rate	Concession	100.0%	2,120	2,120	2,019	0	Sporting Clubs - Rates	
Fremantle Mosman Park Cricket Club	Rate	Concession	100.0%	6,751	6,751	6,430	0	Sporting Clubs - Rates	
The WA Circus School Incorporated	Rate	Concession	100.0%	3,834	3,834	3,651	0	Sporting Clubs - Rates	
Fremantle Park Sport & Community Centre Incorporated	Rate	Concession	100.0%	1,825	1,825	1,738	1,649	Sporting Clubs - Rates	
Main Roads	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Sporting Clubs - Rates	
The Italian Club Fremantle Incorporated	Rate	Concession	100.0%	5,961	5,961	5,677	5,710	Vacant Commercial - Rates	
WA Portuguese Club Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Community Groups	
WA Croatian Community Centre Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Community Groups	
Navy Club Incorporated	Rate	Concession	Max. \$12,000	8,914	8,914	8,489	8,429	Community Groups	
Fremantle Buffalo Club Incorporated	Rate	Concession	Max. \$12,000	12,000	12,000	12,000	12,000	Community Groups	
Fremantles Mens Shed	Rate	Concession	100.0%	3,584	3,584	3,413	3,433	Community Groups	
St Patrick's Community Support Centre U1	Rate	Concession	100.0%	4,033	4,033	0	0	Community Groups	
St Patrick's Community Support Centre U2	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U3	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U4	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U5	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U6	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U7	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U8	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U9	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U10	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
St Patrick's Community Support Centre U11	Rate	Concession	100.0%	1,825	1,825	0	0	Community Groups	
					225,198	206,207	194,266		

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Note	2025/26 Budget 30 June 2026	2024/25 Estimate 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
	12,874,941	17,896,139	7,905,007
	12,628,054	20,628,054	24,876,817
	3,453,779	3,578,779	2,542,317
	193,809	193,809	122,573
	1,973,675	1,973,675	350,000
	0	0	
	31,124,258	44,270,456	35,796,714
	(7,520,400)	(7,120,400)	(9,077,897)
	(320,130)	(320,130)	(20,000)
	(948,548)	(4,948,548)	(4,000,000)
	(720,000)	(713,159)	(620,000)
	(1,172,856)	(1,337,806)	(1,335,027)
	(6,851,057)	(6,651,057)	(6,714,934)
	(17,532,991)	(21,091,100)	(21,767,858)
	13,591,267	23,179,356	14,028,856
	(13,511,277)	(17,349,303)	(13,965,661)
	79,990	5,830,053	63,195

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets
Non-current assets held for sale

Less: current liabilities

Trade and other payables
Contract liabilities
Capital grant/contribution liability
Lease liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(b) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities

Total adjustments to net current assets

9	(15,404,133)	(19,400,268)	(15,920,688)
	1,172,856	1,337,806	1,335,027
	720,000	713,159	620,000
	(13,511,277)	(17,349,303)	(13,965,661)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
Non-cash movements in non-current assets and liabilities:
- Pensioner deferred rates

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(64,377)	(19,545)	0
5	281,125	30,843	0
6	21,932,500	22,295,343	22,295,343
	75,000	75,000	75,000
	22,224,248	22,381,641	22,370,343

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(d) Non-cash amounts excluded from investing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to investing activities

Movement in non-current unspent capital grants liability
 Right of use assets recognised

Non cash amounts excluded from investing activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
	0	0	(4,000,000)
5(c)	560,000	1,570,000	0
	560,000	1,570,000	(4,000,000)

(e) Non-cash amounts excluded from financing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to financing activities

Less: Lease liability recognised

Non cash amounts excluded from financing activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
8	(560,000)	(1,570,000)	0
	(560,000)	(1,570,000)	0

3. NET CURRENT ASSETS

(f) MATERIAL ACCOUNTING POLICIES

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 City's operational cycle. In the case of liabilities where the City 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 City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

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

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

SUPERANNUATION

The City contributes to a number of superannuation funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

INVENTORY - LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Inventory - land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

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.

CONTRACT LIABILITIES

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the City 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.

The City 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.

PROVISIONS

Provisions are recognised when the City 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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the City'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 City'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 determination of the net current asset position.

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2025/26 Budget	2024/25 Estimate	2024/25 Budget
	\$	\$	\$
Cash at bank and on hand	10,864,151	15,885,349	4,798,163
Term deposits	2,010,790	2,010,790	3,106,844
Total cash and cash equivalents	12,874,941	17,896,139	7,905,007
Held as			
- Unrestricted cash and cash equivalents	9,150,314	14,175,377	905,007
- Restricted cash and cash equivalents	3,724,627	3,720,762	7,000,000
3(a)	12,874,941	17,896,139	7,905,007
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	3,724,627	3,720,762	7,000,000
- Restricted financial assets at amortised cost - term deposits	12,628,054	20,628,054	12,920,688
	16,352,681	24,348,816	19,920,688
The assets are restricted as a result of the specified purposes associated with the liabilities below:			
Reserve accounts	15,404,133	19,400,268	15,920,688
Unspent capital grants, subsidies and contribution liabilities	948,548	4,948,548	4,000,000
9	16,352,681	24,348,816	19,920,688
Reconciliation of net cash provided by operating activities to net result			
Net result	(943,064)	(8,387,787)	(9,260,210)
Depreciation	21,932,500	22,295,343	22,295,343
(Profit)/loss on sale of asset	216,748	11,298	0
5	200,000	(1,131,399)	(25,000)
(Increase)/decrease in receivables	0	(20,551)	
(Increase)/decrease in inventories	0	(438,917)	
(Increase)/decrease in other assets	400,000	(261,235)	400,000
Increase/(decrease) in payables	0	(146,635)	(6,217)
Increase/(decrease) in contract liabilities	(4,000,000)	341,363	(869,820)
Increase/(decrease) in unspent capital grants	200,000	550,000	450,000
Increase/(decrease) in employee provisions	(5,650,034)	(4,250,443)	(4,097,366)
Capital grants, subsidies and contributions	12,356,150	8,561,037	8,886,730
Net cash from operating activities			

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments 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 shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The City 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.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

5. PROPERTY, PLANT AND EQUIPMENT

The following assets are budgeted to be acquired and/or disposed of during the year.

	2025/26 Budget					2024/25 Estimate					2024/25 Budget		
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	6,943,982				0	6,001,458				0	6,723,045		
Furniture and equipment	122,211				0	95,000				0	162,006		
Plant and equipment	2,279,000	(416,748)	200,000	64,377	(281,125)	1,812,275	(116,188)	104,890	19,545	(30,843)	1,230,000		
Total	9,345,193	(416,748)	200,000	64,377	(281,125)	7,908,733	(116,188)	104,890	19,545	(30,843)	8,115,051	0	0
(b) Infrastructure													
Infrastructure - roads	5,300,893				0	2,690,558				0	2,928,385		
Infrastructure - footpaths	770,000				0	538,000				0	538,000		
Infrastructure - drainage	1,263,162				0	510,000				0	450,000		
Infrastructure - parks and ovals	6,986,485				0	1,261,193				0	2,433,784		
Infrastructure - Other	3,920,360				0	1,927,673				0	2,261,520		
Total	18,240,900	0	0	0	0	6,927,424	0	0	0	0	8,611,689	0	0
(c) Right of Use Assets													
Right of use - land and buildings	200,000				0					0			
Right of use - plant and equipment	360,000				0	1,570,000				0			
Total	560,000	0	0	0	0	1,570,000	0	0	0	0	0	0	0
(d) Investment Property													
Land					0					0			
Investment Land and Buildings	1,590,324				0	361,149				0	2,446,910		
Total	1,590,324	0	0	0	0	361,149	0	0	0	0	2,446,910	0	0
(e) Inventory - Land held for resale													
Land held for sale					0					0	(4,350,000)	4,350,000	
Total	0	0	0	0	0	0	0	0	0	0	0	(4,350,000)	4,350,000
Total	29,736,417	(416,748)	200,000	64,377	(281,125)	16,767,306	(116,188)	104,890	19,545	(30,843)	19,173,650	(4,350,000)	4,350,000

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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.

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

6. DEPRECIATION

	2025/26 Budget	2024/25 Estimate	2024/25 Budget
	\$	\$	\$
By Class			
Buildings - non-specialised	6,657,525	7,050,954	7,050,954
Furniture and equipment	132,245	148,333	148,333
Plant and equipment	414,914	423,066	423,066
Infrastructure - roads	4,659,780	4,673,899	4,673,899
Infrastructure - footpaths	1,786,346	1,777,960	1,777,960
Infrastructure - drainage	795,390	813,171	813,171
Infrastructure - parks and ovals	5,872,719	5,752,918	5,752,918
Infrastructure - Other	908,172	1,031,441	1,031,441
Right of use - land and buildings	114,989	127,555	127,555
Right of use - plant and equipment	590,420	496,046	496,046
	21,932,500	22,295,343	22,295,343
By Program			
Governance	2,412,828	2,924,082	2,924,082
Law, order, public safety	154,061	162,957	162,957
Health	1,238	1,238	1,238
Education and welfare	43,793	45,230	45,230
Community amenities	107,981	114,184	114,184
Recreation and culture	9,672,820	9,320,637	9,320,637
Transport	8,083,471	8,223,268	8,223,268
Economic services	0	6,135	6,135
Other property and services	1,456,308	1,497,612	1,497,612
	21,932,500	22,295,343	22,295,343

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	Not depreciated
Buildings - non-specialised	0-100
Furniture and equipment	7-50
Plant and equipment	5-40
Infrastructure - roads	20-90
Infrastructure - paths	20-80
Infrastructure - drainage	80-100
Infrastructure - parks	10-80
Infrastructure - other	10-90

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

7. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Institution	Interest Rate	Budget	2025/26	Budget	2025/26	Estimate	2024/25	Estimate	2024/25	Budget	2024/25	Budget	2024/25
			Principal 1 July 2025	Budget Principal Repayments	Principal outstanding 30 June 2026	Budget Interest Repayments	Principal 1 July 2024	Estimate Principal Repayments	Estimate Principal outstanding 30 June 2025	Estimate Interest Repayments	Principal 1 July 2024	Budget Principal Repayments	Principal outstanding 30 June 2025	Budget Interest Repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
307 Walyalup Civic Centre and Library	WATC	1.96	15,705,938	(910,213)	14,795,725	(303,367)	16,598,571	(892,633)	15,705,938	(320,947)	16,598,571	(892,633)	15,705,938	(320,947)
298 Leighton Beach Kiosk & Changerooms	WATC	3.00	41,867	(41,869)	(2)	0	205,803	(163,935)	41,867	(3,570)	205,803	(163,935)	41,867	(3,570)
301 Leighton Beach Kiosk	WATC	3.15	52,083	(41,502)	10,581	(827)	92,303	(40,220)	52,083	(2,119)	92,303	(40,220)	52,083	(2,119)
303 Fremantle Boys School	WATC	2.86	156,396	(77,084)	79,312	(3,651)	231,314	(74,918)	156,396	(5,817)	231,314	(74,918)	156,396	(5,817)
308 Arthur Head - Wall stabilisation	WATC	1.50	309,640	(49,544)	260,096	(4,825)	358,391	(48,751)	309,640	(5,619)	358,391	(48,751)	309,640	(5,619)
289 Road Asset Program	WATC	3.99	0	0	0	0	53,201	(53,201)	0	0	53,201	(53,201)	0	0
290 Footpath Asset Program	WATC	3.99	0	0	0	0	10,734	(10,734)	0	0	10,734	(10,734)	0	0
291 Drainage Asset Program	WATC	3.99	0	0	0	0	9,068	(9,068)	0	0	9,068	(9,068)	0	0
295 Road Asset Program	WATC	3.44	26,497	(26,498)	(1)	0	130,253	(103,757)	26,497	(2,260)	130,253	(103,757)	26,497	(2,260)
296 Footpath Asset Program	WATC	3.44	7,597	(7,597)	(0)	0	37,344	(29,747)	7,597	(648)	37,344	(29,747)	7,597	(648)
297 Drainage Asset Program	WATC	3.44	8,834	(8,834)	(0)	0	43,419	(34,586)	8,834	(753)	43,419	(34,586)	8,834	(753)
300 Road Asset Program	WATC	3.15	120,908	(96,345)	24,563	(1,919)	214,277	(93,369)	120,908	(4,919)	214,277	(93,369)	120,908	(4,919)
294B Acquisition 73 Hampton Road	WATC	4.03	0	0	0	0	10,146	(10,146)	0	0	10,146	(10,146)	0	0
305 Heavy Vehicles	WATC	2.86	111,711	(55,060)	56,651	(2,608)	165,224	(53,513)	111,711	(4,156)	165,224	(53,513)	111,711	(4,156)
Share of SMRC* Loans	SMRC	4.12**	353,452	(23,260)	330,192	(16,880)	373,935	(20,483)	353,452	(16,199)	374,247	(20,483)	353,764	(16,199)
			16,894,922	(1,337,806)	15,557,116	(334,077)	18,533,982	(1,639,060)	16,894,922	(367,006)	18,534,294	(1,639,060)	16,895,234	(367,006)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

The self supporting loan(s) repayment will be fully reimbursed.

*Southern Metropolitan Regional Council trading as Resource Recovery Group.

** Weighted Average

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

7. BORROWINGS

(b) New borrowings - 2025/26

The City does not intend to undertake any new borrowings for the year ended 30th June 2026

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	450,000	450,000	450,000
Credit card balance at balance date	50,000	50,000	50,000
Total amount of credit unused	500,000	500,000	500,000
Loan facilities			
Loan facilities in use at balance date	15,557,116	16,894,922	16,895,234

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

8. LEASE LIABILITIES

Purpose	Lease Number	Budget Lease	2025/26 Budget New Leases	2025/26 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest Repayments	Estimate Principal 1 July 2024	2024/25 Estimate New Leases	2024/25 Estimate Lease repayments Principal	Actual Lease Principal outstanding 30 June 2025	2024/25 Estimate Lease Interest repayments	Budget Principal 1 July 2024	2024/25 Budget New Leases	2024/25 Budget Lease repayments Principal	Budget Lease Principal outstanding 30 June 2025	2024/25 Budget Lease Interest repayments
		Principal 1 July 2025	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CRT & MIS	02	6,305	110,000	(19,430)	96,875	(570)	31,062	0	(24,757)	6,305	(587)	32,638	0	(24,757)	7,881	(587)
IT Server	13	848,892	0	(320,302)	528,590	(28,929)	352,375	800,000	(303,483)	848,892	(8,811)	982,648	0	(303,483)	679,165	(8,811)
Pool Cleaner	06	6,117	20,000	(8,324)	17,793	(176)	13,260	0	(7,143)	6,117	(295)	0	0	0	0	0
Gym Equipment	07	452,427	0	(72,424)	380,003	(3,018)	2,427	450,000	0	452,427	0	0	0	0	0	0
Restaurant	08	0	200,000	(34,560)	165,440	(1,440)	35,646	0	(35,646)	0	(856)	35,646	0	(35,646)	0	(856)
Car Park 19	12	488,021	0	(97,130)	390,891	(12,870)	582,322	0	(94,301)	488,021	(15,699)	582,321	0	(94,301)	488,020	(15,699)
RFID - Library	14	17,208	200,000	(33,914)	183,294	(893)	50,609	0	(33,401)	17,208	(3,034)	106,355	0	(70,195)	36,160	(3,034)
IT Equipment	15	7,578	30,000	(15,281)	22,297	(385)	22,287	0	(14,709)	7,578	(1,684)	22,287	0	(14,709)	7,578	(1,684)
Computer Equipment	16	320,000	0	(111,794)	208,206	(4,658)	82,070	320,000	(82,070)	320,000	0	82,070	0	(82,070)	0	0
		2,146,548	560,000	(713,159)	1,993,389	(52,939)	1,172,058	1,570,000	(595,510)	2,146,548	(30,966)	1,843,965	0	(625,161)	1,218,804	(30,671)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the City assesses whether the contract is, or contains, 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 a 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 City uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26		Budget		2024/25				Estimate				2024/25		Budget	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation																
(a) Cash-in-lieu of public open space reserve	621,404	0	(10,000)	611,404	621,404	0	0	621,404	621,404	0	(10,000)	611,404	621,404	0	(10,000)	611,404
Specified area rate reserve - Leighton Precinct	270,163	89,312	(61,000)	298,475	241,754	85,059	(56,650)	270,163	214,575	85,059	(56,650)	242,984	214,575	85,059	(56,650)	242,984
(b) Maintenance Reserve																
Service charge reserve - White Gum Valley	36,683	8,804	(4,000)	41,487	36,683	8,804	(8,804)	36,683	24,479	8,804	(8,804)	24,479	24,479	8,804	(8,804)	24,479
(c) Precinct Community Bore Reserve																
Service charge reserve - South Fremantle	0	1,800,000	0	1,800,000	0	0	0	0	0	0	0	0	0	0	0	0
(d) Targeted Underground Power																
	928,250	1,898,116	(75,000)	2,751,366	899,841	93,863	(65,454)	928,250	860,458	93,863	(75,454)	878,867	860,458	93,863	(75,454)	878,867
Restricted by council																
(e) Cantonment Hill Master Plan Reserve	117,868	0	0	117,868	117,868	0	0	117,868	117,868	0	0	117,868	117,868	0	0	117,868
Community Care Programs Reserve	6,386	0	0	6,386	6,386	0	0	6,386	6,386	0	0	6,386	6,386	0	0	6,386
(f) (Previously HACC)																
(g) Fleet Reserve	0	0	0	0	73,610	0	(73,610)	0	130,000	0	(130,000)	0	130,000	0	(130,000)	0
(h) Fremantle Markets Conservation Reserve	70,132	0	0	70,132	70,132	0	0	70,132	70,132	0	0	70,132	70,132	0	0	70,132
(i) Fremantle Oval Reserve	773,303	0	(308,303)	465,000	500,000	315,000	(41,697)	773,303	500,000	0	0	500,000	500,000	0	0	500,000
(j) Hilton Park Sports Reserve	3,490,000	0	(830,000)	2,660,000	2,291,249	1,250,000	(51,249)	3,490,000	2,331,889	250,000	(291,889)	2,290,000	2,331,889	250,000	(291,889)	2,290,000
(k) Investment Fund Reserve	4,828,601	0	(707,638)	4,120,963	3,536,577	1,500,000	(207,976)	4,828,601	3,450,708	4,350,000	(183,866)	7,616,842	3,450,708	4,350,000	(183,866)	7,616,842
(l) Leisure Centre Upgrade Reserve	483,599	0	0	483,599	533,599	0	(50,000)	483,599	533,600	0	0	533,600	533,600	0	0	533,600
(m) Parking Dividend Equalisation Reserve	5,962,048	0	(1,509,000)	4,453,048	5,527,218	811,830	(377,000)	5,962,048	3,631,222	0	0	3,631,222	3,631,222	0	0	3,631,222
(n) Parks Recreation and Facilities Reserve	97,771	0	0	97,771	97,771	0	0	97,771	97,771	0	0	97,771	97,771	0	0	97,771
(o) Sustainability Investment Reserve	200,310	0	(22,310)	178,000	207,870	0	(7,560)	200,310	178,000	0	0	178,000	178,000	0	0	178,000
(p) South Beach Reserve	500,000	0	(500,000)	0	3,130,119	0	(2,630,119)	500,000	3,130,119	0	(3,130,119)	0	3,130,119	0	(3,130,119)	0
(q) Projects Unexpended Municipal Reserve	1,942,000	0	(1,942,000)	0	0	1,942,000	0	1,942,000	0	0	0	0	0	0	0	0
	18,472,018	0	(5,819,251)	12,652,767	16,092,399	5,818,830	(3,439,211)	18,472,018	14,177,695	4,600,000	(3,735,874)	15,041,821	14,177,695	4,600,000	(3,735,874)	15,041,821
	19,400,268	1,898,116	(5,894,251)	15,404,133	16,992,240	5,912,693	(3,504,665)	19,400,268	15,038,153	4,693,863	(3,811,328)	15,920,688	15,038,153	4,693,863	(3,811,328)	15,920,688

9. RESERVE ACCOUNTS

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Cash-in-lieu of public open space reserve	Ongoing	To hold any monies received as contribution for cash in lieu of public open space.
(b) Specified area rate reserve - Leighton Precinct Maintenance Reserve	Ongoing	To hold any specified area rate income raised during the financial year that were unspent at 30 June in relation to Leighton Precinct maintenance. To fund the above normal costs associated with maintaining the higher standard of the landscaping of the Leighton residential area.
(c) Service charge reserve - White Gum Valley Precinct Community Bore Reserve	Ongoing	To fund the associated costs required to maintain the community bore within the WGV development.
(d) Service charge reserve - South Fremantle Targeted Underground Power	Ongoing for project	To fund the delivery of the South Fremantle Targeted Underground Power Project being delivered by Western Power.
Restricted by council		
(e) Cantonment Hill Master Plan Reserve	Ongoing	To fund capital works at Cantonment Hill in accordance with the Cantonment Hill Master Plan.
(f) Community Care Programs Reserve (Previously HACC)	Ongoing	To fund Community Care Programs.
(g) Fleet Reserve	Ongoing	To replace City's vehicles fleet when required.
(h) Fremantle Markets Conservation Reserve	Ongoing	To fund conservation works to the Fremantle Markets.
(i) Fremantle Oval Reserve	Ongoing	To fund capital and business planning costs associated with the redevelopment of the Fremantle Oval precinct.
(j) Hilton Park Sports Reserve	Ongoing	To fund sporting, infrastructure and facility improvements in and around Hilton Park Sports Reserve.
(k) Investment Fund Reserve	Ongoing	To realise and make investments in income producing assets. A specified list of investment properties forms part of the investments. Funds will not be withdrawn from the reserve to subsidise operating or recurrent expenditure, nor shall funds be withdrawn for the purpose of providing community facilities that do not provide a commercial rate of return, unless specifically decided otherwise by the Council.
(l) Leisure Centre Upgrade Reserve	Ongoing	To provide funds for major upgrading and refurbishment works at the Fremantle Leisure Centre.
(m) Parking Dividend Equalisation Reserve	Ongoing	To provide a smoothing out of revenue contributions to municipal operations from commercial parking activities. That is to be achieved as follows (a) by transferring net profits in excess of budget to the reserve and (b) if required, when there is a material (i.e. plus 1%) net loss, transferring funds from the reserve to municipal fund to compensate the loss. Fund commercial parking capital equipment and facilities or parking infringement capital equipment and facilities to the extent the funds available in the reserve exceed 2.5% of budgeted gross parking revenue. Provide temporary funding to the City for its initial contribution to the Hilton Underground Power project. This funding will be returned to the Reserve annually via a service levy on residential consumers within the Hilton Underground Power project.
(n) Parks Recreation and Facilities Reserve	Ongoing	To fund improvements within the South Fremantle Tip Site Reserve. To Finance improvements within the Kings Square Reserve. To finance tourism projects within the City. To finance facilities for sporting clubs on a self supporting loan basis in accordance with Council guidelines for such advances to clubs. To Finance improvements within the Port and Leighton Beach Reserve. To finance capital works and improvements at Fremantle Oval. To Finance improvements or major refurbishments to other parks and recreation facilities within the municipality.
(o) Sustainability Investment Reserve	Ongoing	Invest in projects that promote positive sustainability and renewable energy related outcomes or projects and programs that support net zero outcomes or develop options for net zero. If no sustainability or renewable energy related projects can be identified, the fund will accumulate that year's contribution.
(p) South Beach Reserve	Ongoing	To fund infrastructure and facilities improvement.
(q) Projects Unexpended Municipal Reserve	Ongoing	To hold municipal funding for uncompleted or deferred projects, that will be completed and expended in ensuing financial years.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

10. OTHER INFORMATION

	2025/26 Budget	2024/25 Estimate	2024/25 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	1,850,000	2,849,359	1,618,500
Other interest revenue	560,000	535,000	402,500
	2,410,000	3,384,359	2,021,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	213,000	197,890	197,890
Other services	48,068	50,810	50,810
	261,068	248,700	248,700
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	334,077	367,006	367,006
Interest on lease liabilities (refer Note 8)	52,939	30,966	30,671
	387,016	397,972	397,677

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

11. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Estimate	2024/25 Budget
	\$	\$	\$
Mayor			
Mayor's allowance	100,514	97,115	97,115
Meeting attendance fees	53,215	51,412	51,412
Other expenses	2,700	2,042	1,200
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses			5,000
Superannuation contribution payments	18,448	5,694	17,080
	<u>178,377</u>	<u>159,763</u>	<u>175,307</u>
Deputy Mayor			
Deputy Mayor's allowance	25,128	24,279	24,279
Meeting attendance fees	35,480	34,278	34,278
Other expenses	1,000		1,000
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	7,273	2,245	6,734
	<u>72,381</u>	<u>64,302</u>	<u>69,791</u>
Council member 1			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900	556	350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,648</u>	<u>42,070</u>
Council member 2			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900	94	350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,186</u>	<u>42,070</u>
Council member 3			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900	125	350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,217</u>	<u>42,070</u>
Council member 4			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900		350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,092</u>	<u>42,070</u>
Council member 5			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900		350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,092</u>	<u>42,070</u>
Council member 6			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900		350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,092</u>	<u>42,070</u>
Council member 7			
Meeting attendance fees	35,480	34,278	34,278
Other expenses	900		350
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,258	1,314	3,942
	<u>44,138</u>	<u>39,092</u>	<u>42,070</u>
Council member 8			
Meeting attendance fees	14,783	34,278	34,278
Other expenses			350
Annual allowance for ICT expenses	1,461	3,500	3,500
Superannuation contribution payments	1,774	1,314	3,942
	<u>18,018</u>	<u>39,092</u>	<u>42,070</u>
Council member 9			
Meeting attendance fees	14,783	34,278	34,278
Annual allowance for ICT expenses	1,461	3,500	3,500
Superannuation contribution payments	1,774	1,314	3,942
	<u>18,018</u>	<u>39,092</u>	<u>41,720</u>
Total Council Member Remuneration	<u>595,757</u>	<u>576,667</u>	<u>623,378</u>
Mayor's allowance	100,514	97,115	97,115
Deputy Mayor's allowance	25,128	24,279	24,279
Meeting attendance fees	366,621	394,192	394,192
Other expenses	10,000	2,817	5,000
Annual allowance for ICT expenses	34,422	38,500	38,500
Travel and accommodation expenses	0	0	5,000
Superannuation contribution payments	59,072	19,764	59,292
	<u>595,757</u>	<u>576,667</u>	<u>623,378</u>

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

12. MAJOR LAND AND MAJOR TRADING UNDERTAKINGS

Details

In November 2020, Main Roads WA commenced work on the conversion of the intersection of High Street and Stirling Highway into a roundabout. As a result of the works, Main Roads acquired a portion of the land located upon the Fremantle Public Golf Course, requiring the existing course to be redesigned over a smaller footprint. The terms of the disposal constituted a major land transaction as defined in the Local Government Act 1995 (Act).

An expression of interest (EOI) process was commenced in February 2023 seeking applications from capable and experienced golf course operators for the management and maintenance of the Fremantle Public Golf Course. The property was advertised across multiple platforms from 27 February 2023 to when the EOI closed on 12 May 2023. The City received four submissions through the EOI process.

Following the identification of a preferred applicant via the EOI process, in June 2023 the City sought Council approval to authorise the CEO to commence negotiations with the preferred applicant, Belgravia Leisure, for a maximum period of three months. As per the resolution, the endorsed business plan was advertised for public comment from 23 November 2023 to 19 January 2024. Following the business plan process, Council approved a lease for the preferred operator which has now been executed and is in place. Planning approval and building permits have now been achieved. As per the terms of the lease the construction of the facility proposed within business plan is due to commence in FY 2025/26.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

13. INVESTMENT IN ASSOCIATES

Investment in associate

Following the end of the financial year ended 30 June 2023, the City at its Ordinary Council Meeting held on 22 November 2023 resolved to withdraw from the Resource Recovery Group (RRG, formerly SMRC) and all associated projects.

At the time of preparing this budget the full financial impact to the City is unable to be estimated.

The City of Fremantle's ownership interest in the RRG was 21.07per cent as at 30 June 2024 (Audited).

**CITY OF FREMANTLE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026**

14. TRUST FUNDS

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

Detail	Balance 30 June 2025	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2026
	\$	\$	\$	\$
Cash In Lieu of Parking	469,360			469,360
Cash In Lieu of Public Open Space	85,673			85,673
Gwenh Ewens	30,596		(3,000)	27,596
John Francis Boyd	2,700			2,700
Victor Felstead	18,528	9,000		27,528
Unclaimed Funds - Debtors	4,441			4,441
Miscellaneous	109,422			109,422
Trust Interest	56,146			56,146
	776,866	9,000	(3,000)	782,866

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

15. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (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.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

15. REVENUE AND EXPENDITURE

(b) Revenue Recognition

Recognition of revenue from contracts with customers 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	Timing of Revenue recognition
Grants, subsidies and contributions	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	Output method based on project milestones and/or completion date matched to performance obligations
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	On payment and issue of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

16. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

OBJECTIVE

Governance

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

General purpose funding

To collect revenue to allow the provision of services.

Law, order, public safety

To provide services to ensure a safer and environmentally conscious community.

Health

To provide services to disadvantaged persons, the elderly, children and youth.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Housing

To provide and maintain elderly residence housing.

Community amenities

To provide services required by the community.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Transport

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

Economic services

To help promote the city and its economic well-being.

Other property and services

To monitor and control council's overhead operating accounts.

ACTIVITIES

Includes the activities of members of the Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.

Rates, general purpose government grants and interest revenue.

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

Inspection of food outlets and their control, provision of noise control and waste disposal compliance.

Elderly person's activities and support, community services planning, disabled persons services, youth services, indigenous issues, meals on wheels centre, pre-schools and other welfare and voluntary persons.

Provision and maintenance of elderly residence housing.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of townscapes, and operation of libraries, leisure centres and art galleries.

Construction and maintenance of roads, drainage, single and dual use paths, bridges and traffic signs. Maintenance of road verges, strategic planning for transport and traffic flows, street lighting and street cleaning, parking control and parking operations.

Tourism and area promotion, operation of the Visitor Centre, sister cities expenses, City marketing and economic development, implementation of building control.

Private works operation, plant repair, public works overheads, land acquisition and disposal.

**CITY OF FREMANTLE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026**

17. FEES AND CHARGES

	2025/26 Budget	2024/25 Estimate	2024/25 Budget
	\$	\$	\$
By Program:			
Governance	41,000	48,771	48,771
General purpose funding	181,000	168,405	168,405
Law, order, public safety	2,601,000	2,382,431	2,382,431
Health	610,500	634,913	634,913
Education and welfare	354,454	309,363	308,363
Community amenities	1,237,096	2,006,907	1,845,755
Recreation and culture	8,055,615	8,193,386	7,870,718
Transport	11,387,200	11,658,998	10,548,998
Economic services	818,127	809,885	787,217
Other property and services	1,162,896	1,078,508	1,043,222
	26,448,888	27,291,567	25,638,793

CITY OF FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 1 - TUPP South Fremantle and Fremantle South Project Boundary

