



Budget

2022-23

CITY OF FREMANTLE

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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CITY'S VISION - Vision for the future

Fremantle: a destination city

A city that is clever and creative, inspiring and inclusive.

A city that welcomes and celebrates all people and cultures.

A city that encourages innovation, prosperity and achievement.

A compassionate city that cares for the wellbeing of our people and the environment we share.

A city that thrives on diversity, that dares to be different and delivers on its promises.

CITY OF FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Estimate	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	52,775,534	50,251,588	50,502,513
Operating grants, subsidies and contributions	11	3,040,536	4,881,379	3,154,538
Fees and charges	16	23,484,541	22,743,594	22,147,131
Service charges	2(e)	1,271,375	8,804	7,192
Interest earnings	12(a)	729,450	624,763	633,000
Other revenue	12(b)	2,013,242	1,928,880	1,321,701
		83,314,678	80,439,008	77,766,075
Expenses				
Employee costs		(42,088,062)	(37,094,427)	(39,649,332)
Materials and contracts		(29,057,327)	(26,888,596)	(27,799,573)
Utility charges		(2,129,142)	(1,789,445)	(1,920,700)
Depreciation on non-current assets	6	(11,353,843)	(10,209,924)	(9,710,367)
Interest expenses	12(d)	(652,266)	(732,230)	(721,041)
Insurance expenses		(1,062,250)	(975,081)	(950,261)
Other expenditure		(2,000,693)	(1,338,621)	(2,361,780)
		(88,343,583)	(79,028,324)	(83,113,054)
		(5,028,905)	1,410,684	(5,346,979)
Non-operating grants, subsidies and contributions	11	12,882,370	7,937,615	11,509,475
Profit on asset disposals	5(b)	727,000	8,846	727,000
Loss on asset disposals	5(b)	(10,846)	(2,824)	0
		13,598,524	7,943,637	12,236,475
Net result for the period		8,569,619	9,354,321	6,889,496
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		8,569,619	9,354,321	6,889,496

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 2023

	NOTE	2022/23 Budget	2021/22 Estimate	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		52,775,534	50,962,535	51,582,513
Operating grants, subsidies and contributions		1,449,109	4,702,506	3,250,746
Fees and charges		23,484,541	22,743,594	22,147,131
Service charges		1,271,375	8,804	7,192
Interest received		729,450	624,763	633,000
Goods and services tax received		4,280,000	4,131,472	4,039,304
Other revenue		2,013,242	1,928,880	1,321,701
		86,003,251	85,102,554	82,981,587
Payments				
Employee costs		(40,495,020)	(37,571,494)	(39,649,329)
Materials and contracts		(24,405,754)	(25,172,958)	(27,494,751)
Utility charges		(2,129,142)	(1,789,445)	(1,920,700)
Interest expenses		(652,266)	(750,250)	(721,041)
Insurance paid		(1,062,250)	(975,081)	(950,261)
Goods and services tax paid		(4,280,000)	(4,089,991)	(4,039,304)
Other expenditure		(2,000,693)	(1,338,621)	(2,361,780)
		(75,025,125)	(71,687,840)	(77,137,166)
Net cash provided by (used in) operating activities	4	10,978,126	13,414,714	5,844,421
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(15,924,519)	(15,630,913)	(13,735,793)
Payments for construction of infrastructure	5(a)	(11,402,373)	(13,166,081)	(10,718,085)
Non-operating grants, subsidies and contributions		12,937,792	7,924,651	9,382,361
Proceeds from sale of land held for resale	5(b)	4,970,000	0	4,970,000
Proceeds from sale of property, plant and equipment	5(b)	7,000	45,903	0
Net cash provided by (used in) investing activities		(9,412,100)	(20,826,440)	(10,101,517)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(2,300,529)	(2,526,300)	(2,114,380)
Principal elements of lease payments	8	(298,353)	(379,616)	(378,041)
Payments for financial assets at amortised cost - term deposits		(7,413,688)	0	0
Proceeds on disposal of financial assets at amortised cost - term deposits		0	24,523,643	3,380,106
Net cash provided by (used in) financing activities		(10,012,570)	21,617,727	887,685
Net increase (decrease) in cash held		(8,446,544)	14,206,001	(3,369,411)
Cash at beginning of year		26,828,904	12,622,903	5,218,063
Cash and cash equivalents at the end of the year	4	18,382,360	26,828,904	1,848,652

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

CITY OF FREMANTLE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Estimate	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	8,893,854	15,061,399	4,363,337
		8,893,854	15,061,399	4,363,337
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	184,699	175,278	177,133
Operating grants, subsidies and contributions	11	3,040,536	4,881,379	3,154,538
Fees and charges	16	23,484,541	22,743,594	22,147,131
Service charges	2(e)	1,271,375	8,804	7,192
Interest earnings	12(a)	729,450	624,763	633,000
Other revenue	12(b)	2,013,242	1,928,880	1,321,701
Profit on asset disposals	5(b)	727,000	8,846	727,000
		31,450,843	30,371,544	28,167,695
Expenditure from operating activities				
Employee costs		(42,088,062)	(37,094,427)	(39,649,332)
Materials and contracts		(29,057,327)	(26,888,596)	(27,799,573)
Utility charges		(2,129,142)	(1,789,445)	(1,920,700)
Depreciation on non-current assets	6	(11,353,843)	(10,209,924)	(9,710,367)
Interest expenses	12(d)	(652,266)	(732,230)	(721,041)
Insurance expenses		(1,062,250)	(975,081)	(950,261)
Other expenditure		(2,000,693)	(1,338,621)	(2,361,780)
Loss on asset disposals	5(b)	(10,846)	(2,824)	0
		(88,354,429)	(79,031,148)	(83,113,053)
Non-cash amounts excluded from operating activities	3(b)	10,637,689	10,000,245	8,983,367
Amount attributable to operating activities		(37,372,043)	(23,597,960)	(41,598,654)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	12,882,370	7,937,615	11,509,475
Payments for property, plant and equipment	5(a)	(15,924,519)	(15,630,913)	(13,735,793)
Payments for construction of infrastructure	5(a)	(11,402,373)	(13,166,081)	(10,718,085)
Proceeds from disposal of assets	5(b)	4,977,000	45,903	4,970,000
Amount attributable to investing activities		(9,467,522)	(20,813,476)	(7,974,403)
Non-cash amounts excluded from investing activities	3(c)	0	(12,964)	0
Amount attributable to investing activities		(9,467,522)	(20,826,440)	(7,974,403)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(2,300,529)	(2,526,300)	(2,114,380)
Principal elements of finance lease payments	8	(298,353)	(379,616)	(378,041)
Transfers to cash backed reserves (restricted assets)	9(a)	(7,304,272)	(68,143)	(5,036,531)
Transfers from cash backed reserves (restricted assets)	9(a)	4,189,006	6,216,002	6,776,629
Amount attributable to financing activities		(5,714,148)	3,241,943	(752,323)
Budgeted deficiency before general rates		(52,553,713)	(41,182,457)	(50,325,380)
Estimated amount to be raised from general rates	2(a)	52,590,835	50,076,310	50,325,380
Net current assets at end of financial year - surplus/(deficit)	3	37,122	8,893,854	(0)

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

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CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 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.

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 2020-3 Amendments to Australian Accounting Standards* - Annual Improvements 2018-2020 and Other Amendments
- *AASB 2020-6 Amendments to Australian Accounting Standards* - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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

New accounting standards for application in future years

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

- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates
- *AASB 2021-6 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

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

Judgements, estimates and assumptions

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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

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

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

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 these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. 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.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING 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.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

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 can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

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.

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, 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, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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 is included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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, elected member's fees or State taxes. Donations and subsidies made to community groups.

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
<p>Governance To provide a decision making process for the efficient allocation of resources.</p>	<p>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.</p>
<p>General purpose funding To collect revenue to allow the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety To provide services to ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>Health To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of noise control and waste disposal compliance.</p>
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>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.</p>
<p>Housing To provide and maintain elderly residence housing.</p>	<p>Provision and maintenance of elderly residence housing.</p>
<p>Community amenities To provide services required by the community.</p>	<p>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.</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well-being of the community.</p>	<p>Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of townscapes, Operation of libraries, leisure centres and art galleries.</p>
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	<p>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.</p>
<p>Economic services To help promote the city and its economic well-being.</p>	<p>Tourism and area promotion, operation of the visitor centre, sister cities expenses, City marketing and economic development, implementation of building control.</p>
<p>Other property and services To monitor and control council's overhead operating accounts.</p>	<p>Private works operation, plant repair, public works overheads, land acquisition and disposal.</p>

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Estimate total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Residential Improved	GRV	0.09059	9,952	247,043,374	22,378,376	200,000	0	22,578,376	20,579,992	20,813,951
Commercial & Industrial General	GRV	0.09617	1,431	148,830,092	14,313,578	0	0	14,313,578	13,603,367	13,488,435
City Centre Commercial	GRV	0.09824	347	82,074,461	8,063,075	0	0	8,063,075	8,017,574	8,192,698
Nightclubs	GRV		0	0	0	0	0	0	215,814	215,814
Residential Short Term Accommodation	GRV	0.10102	128	2,871,870	290,127	0	0	290,127	256,449	255,580
Vacant Residential Land	GRV	0.13841	138	4,066,850	562,904	0	0	562,904	607,832	567,533
Vacant Commercial & Industrial	GRV	0.17198	41	2,105,800	362,160	0	0	362,160	375,471	367,598
Sub-Total			12,037	486,992,447	45,970,220	200,000	0	46,170,220	43,656,499	43,901,609
Minimum payment		\$								
Residential Improved		1,481	3,847	54,410,969	5,697,407	0	0	5,697,407	5,829,681	5,829,681
Commercial & Industrial General		1,481	330	3,566,548	488,730	0	0	488,730	462,407	462,407
City Centre Commercial		1,481	76	820,325	112,556	0	0	112,556	81,026	81,026
Nightclubs		1,481	0	0	0	0	0	0	0	0
Residential Short Term Accommodation		1,481	56	712,088	82,936	0	0	82,936	64,262	64,262
Vacant Residential Land		1,434	129	1,049,625	184,986	0	0	184,986	194,832	194,832
Vacant Commercial & Industrial		1,481	10	53,940	14,810	0	0	14,810	13,970	13,970
Sub-Total			4,448	60,613,495	6,581,425	0	0	6,581,425	6,646,178	6,646,178
			16,485	547,605,942	52,551,645	200,000	0	52,751,645	50,302,677	50,547,787
Waivers / Concessions on general rates (Refer note 2(f))								(160,810)	(226,367)	(222,407)
Total amount raised from general rates								52,590,835	50,076,310	50,325,380
(ii) Specified area and ex gratia rates										
Specified area rates										
CBD Security Levy		0.001289		94,497,047	121,802	0	0	121,802	115,939	117,794
Leighton Maintenance		0.005533		11,367,987	62,897	0	0	62,897	59,339	59,339
Total specified area rates				105,865,034	184,699	0	0	184,699	175,278	177,133
Total specified area and ex gratia rates								184,699	175,278	177,133
Total rates								52,775,534	50,251,588	50,502,513

All land (other than exempt land) in the City of Fremantle is rated according to its Gross Rental Value (GRV) in townsites or in the remainder of the City of Fremantle.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	9 September 2022	-	0.0%	7.0%
Option two				
First instalment	9 September 2022	-	5.5%	7.0%
Second instalment	25 November 2022	13.40	5.5%	7.0%
Option three				
First instalment	9 September 2022	-	5.5%	7.0%
Second instalment	25 November 2022	13.40	5.5%	7.0%
Third instalment	27 January 2023	13.40	5.5%	7.0%
Fourth instalment	31 March 2023	13.40	5.5%	7.0%
Option four				
Weekly by direct debit of 40 payments **	9 September 2022	30.00	5.5%	7.0%
** Weekly payments on Friday commencing 9 September 2022 with final payment on 16 June 2023 (40 repayments)				
Option five				
Fortnightly by direct debit of 20 payments **	9 September 2022	30.00	5.5%	7.0%
**Fortnightly payments on Friday commencing 9 September 2022 with final payment on 9 June 2023 (20 repayments)				

	2022/23 Budget revenue	2021/22 Estimate revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	130,000	121,557	160,000
Instalment plan interest earned	276,000	276,492	280,000
Unpaid rates and service charge interest earned	142,500	130,425	153,000
	548,500	528,474	593,000

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.

Differential general rate

Description	Characteristics	Objects & Reasons
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 that a reasonable contribution is made towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements, transport links, additional 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 (refer map) 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, transport links, additional costs associated with economic development initiatives and marketing with contribution to the City's destination marketing activities in line with the endorsed Destination Marketing Strategic Plan 2018-2022.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

Description	Characteristics	Objects & Reasons
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 lodging primarily for tourism experiences and includes the following dwellings in accordance with the Short Stay Accommodation Local Law or otherwise approved under Local Planning Scheme No. 4 for short stay accommodation. a) One-bedroom dwelling used primarily for short stay accommodation b) Dwellings with two or more bedrooms used for short stay accommodation.	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 the provision of services and facilities that may be associated with such commercial use including contribution to the City's destination marketing activities in line with the endorsed Destination Marketing Strategic Plan 2018-2022.
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 2023

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	121,802	0	0	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	50,000	62,897	85,439	To fund the above normal costs associated with maintaining the higher standard of the landscaping of the Leighton residential area.	All properties within the Leighton Beach area that at this time are located on Port Beach Road, Leighton Beach Boulevard and Freeman Loop.
	171,802	62,897	85,439		

(e) Service Charges

	Amount of charge	2022/23 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2021/22 Estimate revenue	2021/22 Budget revenue
Service charge	\$	\$	\$	\$	\$	\$	\$
Community Bore	124	8,804	8,804	8,804	8,804	8,804	7,192
Hilton Underground Power	Variable*	1,262,571	1,262,571	1,262,571	1,262,571	0	0
		1,271,375	1,271,375	1,271,375	1,271,375	8,804	7,192

*Variable - Dependent upon the infrastructure required and identified by Western Power, property owners will incur either a Network Charge, Connection Charge or both. (Network Charge approx. \$38.56 and Connection Charge approx. \$2,674.79)

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 WGV development.	To fund the associated costs required to maintain the community bore within the WGV development	All lots within Landcorp's WGV development (former Kim Beazley School site) between Hope Street, Wongan Avenue, Watkins Street and Yalgoo Avenue in White Gum Valley.
Hilton Underground Power	To improve reliability and security of electricity supply for consumers enhance streetscapes and visual amenity.	To fund the costs associated with the underground power program	488 properties within the suburb of Hilton within the boundaries of Fremantle. For more detail visit; https://www.fremantle.wa.gov.au/hilton-underground-power

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Note	Type	Discount %	Discount (\$)	2022/23 Budget	2021/22 Estimate	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
					\$	\$	\$		
Triet M Ly & Loan P Doan		Concession	100.0%	3,765	3,765	3,549	3,549	Gross Lease - Rates & ESL	Each of these properties has been granted leases on a gross rental basis that includes annual rates and levies.
Australian Tourist Attractions Pty Ltd		Concession	100.0%	4,340	4,340	4,321	4,321	Gross Lease - Rates & ESL	
South Fremantle Football Club Incorporated (Owner) & City Of Fremantle (OwnerCGIT)		Concession	Max. \$10,000	10,000	10,000	15,000	15,000	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 Lands and Heritage(Owner) - Fremantle Prison - Model Railway		Concession	100.0%	721	721	679	679	Sporting Clubs - Rates	
Department Of Planning Lands and Heritage(Owner) - Childrens Lit		Concession	100.0%	9,216	9,216	8,673	8,673	Sporting Clubs - Rates	
Fremantle Volunteer Sea Rescue Group Incorporated(OwnerLease) and 1 other...		Concession	100.0%	2,926	2,926	2,753	2,753	Sporting Clubs - Rates	Concessions adopted prior to 2022/23 financial year are capped at \$10,000pa maximum per ratepayer.
Hilton Park Bowling & Recreation Club Incorporated(OwnerLease) and 1 other...		Concession	100.0%	6,850	6,850	6,446	6,446	Sporting Clubs - Rates	
Apace Wa Incorporated(OwnerLease) & Western Australian Planning Commission(Owner		Concession	100.0%	7,934	7,934	7,466	7,466	Sporting Clubs - Rates	Concessions adopted during 2022/23 financial year onwards are capped at \$10,000pa maximum per ratepayer.
Fremantle Netball Association Incorporated(OwnerLease) and 1 other...		Concession	Max. \$10,000	10,000	10,000	10,217	10,217	Sporting Clubs - Rates	
Royal Fremantle Golf Course Pty Ltd(OwnerLease) and 2 others...		Concession	Max. \$10,000	10,000	10,000	15,000	15,000	Sporting Clubs - Rates	
Fremantle Hockey Club Incorporated(OwnerLease) and 2 others...		Concession	Max. \$10,000	10,000	10,000	11,863	11,863	Sporting Clubs - Rates	
Fremantle Surf Life Saving Club Incorporated(OwnerLease) and 2 others...		Concession	Max. \$10,000	10,000	10,000	15,000	15,000	Sporting Clubs - Rates	
Fremantle Rugby League Football Club Incorporated(OwnerLease) and 1 other...		Concession	100.0%	8,656	8,656	8,145	8,145	Sporting Clubs - Rates	
Fremantle United Soccer & Recreational Club Incorporated(OwnerLease) and 1 other		Concession	100.0%	9,860	9,860	9,278	9,278	Sporting Clubs - Rates	
North Fremantle Associated Clubs Incorporated(OwnerLease) and 2 others...		Concession	100.0%	5,290	5,290	4,977	4,977	Sporting Clubs - Rates	

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

Rate, fee or charge to which the waiver or concession is granted	Note	Type	Discount %	Discount (\$)	2022/23 Budget	2021/22 Estimate	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
North Fremantle Bowls Tennis & Community Centre Incorporated(OwnerLease) and 2 o		Concession	100.0%	4,881	4,881	4,593	4,593	Sporting Clubs - Rates	
The WA Circus School Incorporate		Concession	100.0%	1,481	1,481	1,397	1,397	Sporting Clubs - Rates	
Fremantle Bowling Club Incorporated(OwnerLease) & City Of Fremantle(OwnGovLeas)		Concession	Max. \$10,000	10,000	10,000	18,893	14,933	Sporting Clubs - Rates	
Main Roads(Owner) - The Landscape Yard (Tenant) Property - 342 Stock Road O'CONNOR		Concession	100.0%	5,417	5,417	2,309	2,309	Vacant Commercial - Rates	Crown Land lease that prohibits development
City of Fremantle, The Italian Club Inc,Department of Lands		Concession	Max. \$10,000	10,000	10,000	10,000	10,000	Community Groups	Rate concessions for not for profit community groups who provide a valuable local service for our community and make us part of the cultural fabric of our community.
WA Portuguese Club Inc		Concession	Max. \$10,000	10,000	10,000	10,000	10,000	Community Groups	
WA Croatian Community Centre Inc		Concession	100.0%	9,473	9,473	8,914	8,914	Community Groups	
Ashbridge Nominees		Concession	N/A		0	1,268	1,268	Residential - Rates	Units at 253 High Street Fremantle are subject to minimum payment. For those units occupied by eligible pension concession holders, annual rates have received a concession of the difference between the amount of the minimum payment less the amount of rates that would apply using the units' gross rental value.
Anham Nominees Pty Ltd		Concession	8%		0	1,697	1,697	Nightclubs - Rates	Each of the night clubs only occupies a portion of the rateable property. Annual rates are adjusted so as to reflect the percentage of the property that is not a night club.
Giuseppina Fazio & Vincenzo Fazio		Concession	36%		0	39,644	39,644	Nightclubs - Rates	
Victor Gubgub Pty Ltd		Concession	5%		0	4,285	4,285	Nightclubs - Rates	
					160,810	226,367	222,407		

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

	2022/23 Budget 30 June 2023	2021/22 Estimate 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents - unrestricted	4	18,382,360	26,828,904
Financial assets - unrestricted		0	0
Financial assets - restricted	4	9,599,025	6,483,759
Receivables		3,603,297	2,011,870
Inventories		186,122	4,429,122
		31,770,804	39,753,655
		22,576,587	22,576,587
Less: current liabilities			
Trade and other payables		(14,729,024)	(14,320,452)
Lease liabilities	8	(310,332)	(308,685)
Current portion of loans - Associates Funded SMRC		(303,225)	(391,200)
Long term borrowings		(1,606,100)	(1,909,327)
Employee provisions		(7,405,632)	(5,812,590)
		(24,354,313)	(22,742,254)
		(16,788,963)	(16,788,963)
Net current assets		7,416,491	17,011,401
		5,787,624	5,787,624
Less: Total adjustments to net current assets	3.(d)	(7,379,368)	(8,117,547)
Net current assets used in the Rate Setting Statement		37,123	8,893,854
		0	0

3. NET CURRENT ASSETS (CONTINUED)

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.

(b) Non-cash amounts excluded from operating activities

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

	2022/23 Budget 30 June 2023	2021/22 Estimate 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
Adjustments to operating activities			
Less: Profit on asset disposals	5(b)	(727,000)	(8,846)
Add: Loss on disposal of assets	5(b)	10,846	2,824
Add: Depreciation on assets	6	11,353,843	10,209,924
Movement in non-current pensioner deferred rates		0	14,785
Movement in non-current employee provisions		0	(218,442)
Non cash amounts excluded from operating activities		10,637,689	10,000,245
		8,983,367	8,983,367

(c) 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 Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to investing activities			
Movement in non-current other provisions		0	(12,964)
Non cash amounts excluded from investing activities		0	(12,964)
		0	0

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

(d) 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 Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	2022/23 Budget 30 June 2023	2021/22 Estimate 30 June 2022	2021/22 Budget 30 June 2022
Adjustments to net current assets	\$	\$	\$
Less: Cash - restricted reserves	9 (9,599,025)	(6,483,759)	(8,688,341)
Less: Current assets not expected to be received at end of year			
- Land held for resale	0	(4,243,000)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	1,606,100	1,909,327	1,909,326
- Current portion of lease liabilities	310,332	308,685	288,727
- Current portion of loans - Associates Funded SMRC	303,225	391,200	702,664
Total adjustments to net current assets	(7,379,368)	(8,117,547)	(5,787,624)

3 (e) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 of Fremantle becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the 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 of Fremantle contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Fremantle contributes are defined contribution plans.

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.

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.

TRADE AND OTHER RECEIVABLES

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

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

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

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

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 statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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	2022/23 Budget	2021/22 Estimate	2021/22 Budget
		\$	\$	\$
Cash at bank and on hand		3,795,254	9,241,798	1,848,652
Term deposits		14,587,106	17,587,106	0
Total cash and cash equivalents		18,382,360	26,828,904	1,848,652
Held as				
- Unrestricted cash and cash equivalents	3(a)	18,382,360	26,828,904	1,848,652
		18,382,360	26,828,904	1,848,652
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:				
- Restricted financial assets at amortised cost - term deposits	3(a)	9,599,025	6,483,759	8,994,342
		9,599,025	6,483,759	8,994,342
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	8,974,621	5,859,355	8,688,341
Restricted Cash - Cash In Lieu of Public Open Space		624,404	624,404	306,001
		9,599,025	6,483,759	8,994,342
Reconciliation of net cash provided by operating activities to net result				
Net result		8,569,619	9,354,321	6,889,496
Depreciation	6	11,353,843	10,209,924	9,710,367
(Profit)/loss on sale of asset	5(b)	(716,154)	(6,022)	(727,000)
(Increase)/decrease in receivables		(1,591,427)	573,555	1,580,000
(Increase)/decrease in inventories		4,243,000	(52,988)	(2,530,909)
Increase/(decrease) in payables		408,573	1,750,606	304,825
Increase/(decrease) in other provision		55,422	(12,964)	0
Increase/(decrease) in employee provisions		1,593,042	(477,067)	0
Non-operating grants, subsidies and contributions		(12,937,792)	(7,924,651)	(9,382,358)
Net cash from operating activities		10,978,126	13,414,714	5,844,421

SIGNIFICANT 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 2023

5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program								2022/23 Budget total	2021/22 Estimate total	2021/22 Budget total
	Governance	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Buildings - non-specialised	473,318	0	146,210	25,000	8,253,826	0	3,748,689	1,162,235	13,809,278	12,676,565	12,639,023
Furniture and equipment	65,800	58,338	0	0	14,000	180,000	0	0	318,138	257,632	368,770
Plant and equipment	12,000	0	0	0	0	1,686,324	0	98,779	1,797,103	2,696,716	728,000
	551,118	58,338	146,210	25,000	8,267,826	1,866,324	3,748,689	1,261,014	15,924,519	15,630,913	13,735,793
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	16,983	2,313,554	0	0	2,330,537	2,247,750	2,750,200
Infrastructure - footpaths	0	0	0	0	0	216,940	0	0	216,940	193,093	140,000
Infrastructure - drainage	0	0	0	0	0	135,138	70,000	0	205,138	187,129	103,000
Infrastructure - parks and ovals	0	0	0	0	4,233,106	329,035	120,000	0	4,682,141	5,403,093	3,324,201
Other infrastructure	0	0	0	157,552	2,752,494	1,057,571	0	0	3,967,617	5,135,016	4,400,684
	0	0	0	157,552	7,002,583	4,052,238	190,000	0	11,402,373	13,166,081	10,718,085
Total acquisitions	551,118	58,338	146,210	182,552	15,270,409	5,918,562	3,938,689	1,261,014	27,326,892	28,796,994	24,453,878

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:
Attachment 2 - Proposed Budget For Operating and Capital Projects 2022-2023.

SIGNIFICANT 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.

CITY OF FREMANTLE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Estimate Net Book Value	2021/22 Estimate Sale Proceeds	2021/22 Estimate Profit	2021/22 Estimate Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	17,846	17,846	0	0	0	0	0	0	0	0	0	0
Other property and services	4,243,000	4,959,154	727,000	(10,846)	39,881	45,903	8,846	(2,824)	4,243,000	4,970,000	727,000	0
	4,260,846	4,977,000	727,000	(10,846)	39,881	45,903	8,846	(2,824)	4,243,000	4,970,000	727,000	0
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	17,846	7,000	0	(10,846)	39,881	45,903	8,846	(2,824)	0	0	0	0
<u>Land Held for Resale</u>												
Land held for resale	4,243,000	4,970,000	727,000	0	0	0	0	0	4,243,000	4,970,000	727,000	0
	4,260,846	4,977,000	727,000	(10,846)	39,881	45,903	8,846	(2,824)	4,243,000	4,970,000	727,000	0

SIGNIFICANT ACCOUNTING POLICIES

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.

6. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Education and welfare
Community amenities
Recreation and culture
Transport
Other property and services

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks and ovals
Other infrastructure
Right of use - plant and equipment

	2022/23 Budget	2021/22 Estimate	2021/22 Budget
	\$	\$	\$
	1,441,451	489,404	556,908
	169,335	187,150	176,259
	60,673	44,400	41,816
	134,492	102,912	96,923
	3,496,752	4,014,706	3,779,690
	5,298,040	4,130,263	3,889,905
	753,100	1,241,090	1,168,866
	11,353,843	10,209,924	9,710,367
	2,835,538	3,798,321	3,577,282
	220,039	151,160	142,363
	990,903	485,781	457,512
	2,861,141	2,190,327	2,062,863
	1,268,030	960,846	904,931
	788,163	597,229	562,474
	1,696,892	1,308,518	1,232,370
	384,976	291,579	274,611
	308,161	426,163	495,961
	11,353,843	10,209,924	9,710,367

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

Major depreciation periods used for each class of depreciable asset are:

Asset Class	Useful life in Years
Property Plant & Equipment	
Community Buildings	0 - 188
Plant & Equipment	5 - 40
Furniture & Fittings	5 - 50
Investment Property	
Buildings	100
Infrastructure	
Paths	11 - 61
Drainage	81 - 100
Roads	11 - 91
Road Structure	Not depreciated
Road Formation	Not depreciated
Parks	10 - 50
Other	21 - 83

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Expiry Date of Loan	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Estimate	2021/22	2021/22	Estimate	2021/22	Budget	2021/22	2021/22	Budget	2021/22
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Principal 1 July 2021	Estimate New Loans	Estimate Principal Repayments	Principal outstanding 30 June 2022		Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
Loan 307 Walyalup Civic Centre and Library	19/06/2040	WATC	1.96	18,332,449	0	(858,486)	17,473,963	(355,094)	19,174,355	0	(841,906)	18,332,449	(371,674)	19,174,355	0	(841,905)	18,332,450	(371,674)
Recreation and culture																		
298 Leighton Beach Kiosk & Changerooms	1/07/2025	WATC	3.00	517,300	0	(153,081)	364,219	(14,518)	665,226	0	(147,926)	517,300	(19,717)	665,227	0	(147,927)	517,300	(19,717)
301 Leighton Beach Kiosk	1/07/2026	WATC	3.15	169,055	0	(37,774)	131,281	(4,584)	205,662	0	(36,607)	169,055	(5,760)	205,662	0	(36,607)	169,055	(5,760)
303 Fremantle Boys School	28/06/2027	WATC	2.86	374,894	0	(70,767)	304,127	(9,967)	443,673	0	(68,779)	374,894	(11,956)	443,673	0	(68,779)	374,894	(11,956)
308 Arthur Head - Wall stabilisation	1/04/2031	WATC	1.62	453,558	0	(47,199)	406,359	(7,170)	500,000	0	(46,442)	453,558	(7,926)	500,000	0	(46,442)	453,558	(7,926)
Transport																		
232 Streets Ahead Programme (2)	1/07/2021	WATC	6.66	0	0	0	0	0	22,339	0	(22,339)	0	0	22,339	0	(22,339)	0	0
236 Streets Ahead Programme (3)	1/07/2022	WATC	6.67	17,872	0	(17,872)	0	0	86,476	0	(68,604)	17,872	(2,883)	86,474	0	(68,604)	17,870	(2,883)
277 Road Asset Program	1/07/2021	WATC	5.56	0	0	0	0	0	32,325	0	(32,325)	0	0	32,325	0	(32,325)	0	0
278 Footpath Asset Program	1/07/2021	WATC	5.56	0	0	0	0	0	15,856	0	(15,856)	0	0	15,857	0	(15,857)	0	0
280 Road Rehabilitation & Improvement progr:	1/07/2022	WATC	3.93	18,043	0	(18,043)	0	0	88,477	0	(70,434)	18,043	(1,755)	88,477	0	(70,435)	18,042	(1,755)
281 Footpath Replacement Program	1/07/2022	WATC	3.93	10,512	0	(10,512)	0	0	51,547	0	(41,035)	10,512	(1,023)	51,547	0	(41,035)	10,512	(1,023)
284 Road Asset Program	1/07/2023	WATC	4.01	96,181	0	(76,559)	19,622	(1,948)	169,745	0	(73,564)	96,181	(4,972)	169,745	0	(73,564)	96,181	(4,972)
289 Road Asset Program	1/07/2024	WATC	3.99	460,338	0	(199,527)	260,811	(13,416)	652,098	0	(191,760)	460,338	(21,261)	652,098	0	(191,761)	460,337	(21,261)
290 Footpath Asset Program	1/07/2024	WATC	3.99	92,853	0	(40,245)	52,608	(2,706)	131,532	0	(38,679)	92,853	(4,288)	131,531	0	(38,678)	92,853	(4,288)
291 Drainage Asset Program	1/07/2024	WATC	3.99	78,467	0	(34,010)	44,457	(2,287)	111,153	0	(32,686)	78,467	(3,623)	111,153	0	(32,687)	78,466	(3,623)
295 Road Asset Program	1/07/2025	WATC	3.00	327,405	0	(96,887)	230,518	(9,189)	421,029	0	(93,624)	327,405	(12,479)	421,030	0	(93,624)	327,406	(12,479)
296 Footpath Asset Program	1/07/2025	WATC	3.00	93,867	0	(27,777)	66,090	(2,634)	120,709	0	(26,842)	93,867	(3,578)	120,709	0	(26,843)	93,866	(3,578)
297 Drainage Asset Program	1/07/2025	WATC	3.00	109,136	0	(32,296)	76,840	(3,063)	140,344	0	(31,208)	109,136	(4,161)	140,343	0	(31,208)	109,135	(4,161)
300 Road Asset Program	1/07/2026	WATC	3.15	392,450	0	(87,689)	304,761	(10,643)	477,431	0	(84,981)	392,450	(13,372)	477,430	0	(84,981)	392,449	(13,372)
294B Acquisition 73 Hampton Road	1/07/2024	WATC	4.03	75,160	0	(50,548)	24,612	(7,120)	124,288	0	(49,128)	75,160	(4,094)	124,288	0	(36,532)	87,756	(4,094)
305 Heavy Vehicles	28/06/2027	WATC	2.86	280,377	0	(38,027)	242,350	(2,584)	316,909	0	(36,532)	280,377	(8,540)	316,909	0	(49,128)	267,781	(8,540)
Economic services																		
279 Fremantle Markets Upgrade	1/07/2021	WATC	5.56	0	0	0	0	0	16,162	0	(16,162)	0	0	16,163	0	(16,163)	0	0
283 Fremantle Markets Upgrade	1/07/2022	WATC	3.93	12,030	0	(12,030)	0	0	58,986	0	(46,956)	12,030	(1,170)	58,985	0	(46,956)	12,029	(1,170)
Other property and services																		
Share of SMRC* Loans	1/07/2022	SMRC	2.32**	694,425	0	(391,200)	303,225	(8,044)	1,106,350	0	(411,925)	694,425	(22,282)	1,512,088	0	0	1,512,088	0
				22,606,372	0	(2,300,529)	20,305,843	(454,967)	25,132,672	0	(2,526,300)	22,606,372	(526,514)	25,538,408	0	(2,114,380)	23,424,028	(504,232)

All borrowing repayments will be financed by general purpose revenue.

*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 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

The City does not intend to undertake any new borrowings for the year ended 30th June 2023.

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Estimate	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
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	20,305,843	22,606,372	23,424,028

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget	2022/23	Budget	2022/23	Estimate	2021/22	Estimate	2021/22	Budget	2021/22	Budget	2021/22	Budget	2021/22	
					Lease Principal 1 July 2022	Budget New Leases	Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2023	Budget Lease Interest Repayments	Estimate Principal 1 July 2021	Estimate New Leases	Estimate Principal repayments	Estimate Lease Principal outstanding 30 June 2022	Estimate Lease Interest repayments	Budget Principal 1 July 2021	Budget New Leases	Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2022	Budget Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Lease - 02 EMC isilon	02	Capital Finance	3%	60 months	70,001	0	(20,828)	49,173	(1,792)	90,222	0	(20,221)	70,001	(2,399)	90,222	0	(20,221)	70,001	(2,400)
Lease - 10 Data Centre	10	Rosecrown Investments T/as Professionals Fremantle	3%	60 months	0	0	0	0	0	8,281	0	(8,281)	0	(52)	8,281	0	(8,281)	0	(60)
Lease - 13 IT Server	13	Vestone Capital Pty Ltd	4.66%	60 months	420,733	0	(97,137)	323,596	(15,287)	513,545	0	(92,812)	420,733	(19,612)	481,086	0	(92,809)	388,277	(19,615)
Law, order, public safety																			
Lease - 09 Legal Centre	09	Rosecrown Investments T/as Professionals Fremantle	3%	60 months	0	0	0	0	0	23,110	0	(23,110)	0	(222)	23,111	0	(23,111)	0	(228)
Recreation and culture																			
Lease - 06 Pool Cleaner	06	John Shenton	3%	24 months	(1,577)	0	(9,621)	(11,198)	(399)	6,606	0	(8,183)	(1,577)	(167)	6,606	0	(6,606)	0	(74)
Lease - 07 Gym Equipment	07	Capital Finance	3%	48 months	24,542	0	(24,542)	0	(397)	48,371	0	(23,829)	24,542	(1,112)	48,371	0	(23,832)	24,539	(1,116)
Lease - 08 Restaurant - Salt	08	Department of	3%	120 months	95,885	0	(31,022)	64,863	(2,218)	126,004	0	(30,119)	95,885	(3,121)	126,003	0	(30,120)	95,883	(3,122)
Lease - 11 Car Park 12 A+B	11	Burgess	3%	120 months	12,454	0	(12,454)	0	(47)	85,898	0	(73,444)	12,454	(1,556)	85,897	0	(73,440)	12,457	(1,560)
Lease - 12 Car Park 19	12	Burgess	3%	120 months	762,718	0	(88,889)	673,829	(21,111)	849,018	0	(86,300)	762,718	(23,700)	849,017	0	(86,304)	762,713	(23,700)
Lease - 14 RFID - Library	14	Macquarie Bank	3.96%	60 months	51,028	0	(13,860)	37,168	(1,739)	64,345	0	(13,317)	51,028	(2,282)	64,345	0	(13,317)	51,028	(2,282)
					1,435,784	0	(298,353)	1,137,431	(42,990)	1,815,400	0	(379,616)	1,435,784	(54,223)	1,782,939	0	(378,041)	1,404,898	(54,157)

SIGNIFICANT 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 2023

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
	Budget	2022/23	Budget	Estimate	2021/22	Estimate	Estimate	Estimate	Budget	2021/22	Budget	Budget
	Opening	Budget	Transfer	Opening	Estimate	Transfer	Closing	Closing	Opening	Budget	Transfer	Closing
	Balance	Transfer to	(from)	Balance	Transfer to	(from)	Balance	Balance	Balance	Transfer to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Cash-in-lieu of public open space reserve	624,404	0	0	624,404	624,404	0	0	624,404	0	0	0	0
	624,404	0	0	624,404	624,404	0	0	624,404	0	0	0	0
Restricted by council												
(b) Cantonment Hill Master Plan Reserve	117,868	0	0	117,868	117,868	0	0	117,868	117,746	0	0	117,746
(c) Fremantle Markets Conservation Reserve	70,132	0	0	70,132	78,032	0	(7,900)	70,132	51,215	0	(51,215)	0
(d) Community Care Programs Reserve	6,386	0	0	6,386	6,386	0	0	6,386	6,386	0	0	6,386
(e) Investment Fund Reserve	13,806	4,970,000	(1,088,160)	3,895,646	4,921,372	0	(4,907,566)	13,806	3,371,745	4,970,000	(4,821,378)	3,520,367
(f) Leighton Precinct Maintenance Reserve	211,419	62,897	(85,439)	188,877	193,502	59,339	(41,422)	211,419	191,292	59,339	(67,699)	182,932
(g) Leisure Centre Upgrade Reserve	(151,635)	0	0	(151,635)	70,158	0	(221,793)	(151,635)	70,159	0	(36,560)	33,599
(h) Parking Dividend Equalisation Reserve	5,342,077	1,262,571	(2,904,895)	3,699,753	6,208,565	0	(866,488)	5,342,077	6,208,565	0	(1,574,700)	4,633,865
(i) Parks Recreation and Facilities Reserve	97,771	0	0	97,771	97,771	0	0	97,771	97,771	0	0	97,771
(j) Renewable Energy Investment Reserve	59,510	0	(31,510)	28,000	59,510	0	0	59,510	59,510	0	(59,510)	0
(k) White Gum Valley Precinct Community Bore Reserve	24,479	8,804	(8,804)	24,479	15,675	8,804	0	24,479	15,675	7,192	(7,192)	15,675
(l) Fremantle Oval Reserve	67,542	0	(70,198)	(2,656)	238,375	0	(170,833)	67,542	238,375	0	(158,375)	80,000
(m) Hilton Park Sports Reserve	0	1,000,000	0	1,000,000	0	0	0	0	0	0	0	0
	5,859,355	7,304,272	(4,189,006)	8,974,621	12,007,214	68,143	(6,216,002)	5,859,355	10,428,439	5,036,531	(6,776,629)	8,688,341
	6,483,759	7,304,272	(4,189,006)	9,599,025	12,631,618	68,143	(6,216,002)	6,483,759	10,428,439	5,036,531	(6,776,629)	8,688,341

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023
9. FINANCIALLY BACKED RESERVES

(b) Financially Backed Reserves - 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
(a) Cash-in-lieu of public open space reserve	Ongoing	To hold any monies received for the payment of cash in lieu for public open space.
(b) Cantonment Hill Master Plan Reserve	Ongoing	To fund capital works at Cantonment Hill in accordance with the Cantonment Hill Master Plan.
(c) Fremantle Markets Conservation Reserve	Ongoing	To fund conservation works to the Fremantle Markets.
(d) Community Care Programs Reserve	Ongoing	To fund Community Care Programs.
(e) 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.
(f) 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.
(g) Leisure Centre Upgrade Reserve	Ongoing	To provide funds for major upgrading and refurbishment works at the Fremantle Leisure Centre.
(h) 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 via a service levy on residential consumers within the Hilton Underground Power project. Further, this Reserve may also make funds available for operational and capital expenditures requirement of the City from time to time as determined by Council.
(i) 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.
(j) Renewable Energy Investment Reserve	Ongoing	To purchase sufficient carbon offsets to maintain the City's carbon neutral status. Remaining funds will then be used to invest in projects that promote positive renewable energy outcomes . If no renewable energy projects can be identified, the fund will accumulate that year's contribution.
(k) White Gum Valley Precinct Community Bore Reserve	Ongoing	To fund the associated costs required to maintain the community bore within the WGV development.
(l) Fremantle Oval Reserve	Ongoing	To fund capital and business planning costs associated with the redevelopment of the Fremantle Oval precinct.
(m) Hilton Park Sports Reserve	Ongoing	To fund sporting, infrastructure and facility improvements in and around Hilton Park Sports Reserve.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
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	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	kiosk and Fremantle Art Centre shop stock	Single point in time	Payment in full in advance	Refund for faulty goods	Set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Estimate	2021/22 Budget
Income excluding grants, subsidies and contributions			
	\$	\$	\$
Governance	54,800	318,928	45,800
General purpose funding	53,556,285	50,917,128	51,213,881
Law, order, public safety	2,622,912	2,860,086	2,404,694
Health	585,000	701,914	552,140
Education and welfare	292,830	335,898	277,830
Community amenities	2,607,783	2,696,668	2,448,760
Recreation and culture	7,781,191	6,279,039	6,867,552
Transport	10,549,071	9,541,727	9,239,130
Economic services	581,740	656,896	465,000
Other property and services	2,369,530	1,258,189	1,823,750
	81,001,142	75,566,473	75,338,537
Operating grants, subsidies and contributions			
Governance	50,000	46,487	100,000
General purpose funding	560,000	1,461,455	497,175
Education and welfare	1,009,153	1,107,671	741,727
Community amenities	60,000	202,980	113,825
Recreation and culture	1,134,528	1,762,598	1,454,176
Transport	160,000	161,005	159,530
Economic services	34,855	113,657	56,105
Other property and services	32,000	25,526	32,000
	3,040,536	4,881,379	3,154,538
Non-operating grants, subsidies and contributions			
Education and welfare	0	(1,300)	0
Community amenities	0	194,210	0
Recreation and culture	9,675,291	6,191,660	8,016,532
Transport	1,507,079	1,553,045	1,792,943
Economic services	1,700,000	0	1,700,000
	12,882,370	7,937,615	11,509,475
Total Income	96,924,048	88,385,467	90,002,550
Expenses			
Governance	(16,207,016)	(6,681,096)	(7,144,878)
General purpose funding	(878,815)	(810,141)	(852,066)
Law, order, public safety	(4,254,369)	(4,774,596)	(4,788,075)
Health	(768,000)	(660,559)	(860,160)
Education and welfare	(3,019,834)	(3,038,892)	(3,037,465)
Housing	(519,165)	(262,816)	(521,759)
Community amenities	(12,266,890)	(12,362,682)	(13,708,704)
Recreation and culture	(25,609,462)	(26,950,340)	(27,217,875)
Transport	(17,640,792)	(15,051,536)	(16,201,925)
Economic services	(2,625,199)	(2,296,911)	(2,897,525)
Other property and services	(4,564,887)	(6,141,577)	(5,882,622)
Total expenses	(88,354,429)	(79,031,146)	(83,113,054)
Net result for the period	8,569,619	9,354,321	6,889,496

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Estimate	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	101,059	70,800	65,000
- Other funds	209,891	147,046	135,000
Other interest revenue (refer note 1b)	418,500	406,917	433,000
	729,450	624,763	633,000
(b) Other revenue			
Reimbursements and recoveries	1,574,932	1,227,198	908,391
Other	438,310	701,682	413,310
	2,013,242	1,928,880	1,321,701
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	110,000	105,000	104,240
Other services	24,000	15,000	0
	134,000	120,000	104,240
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	454,967	526,514	504,232
Interest expense on lease liabilities	42,990	54,223	54,157
Loan Guarantee Fees	154,309	151,493	162,652
	652,266	732,230	721,041

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Estimate	2021/22 Budget
	\$	\$	\$
Elected member 1			
Mayor's allowance	91,997	63,278	63,278
Meeting attendance fees	48,704	42,553	47,516
Child care expenses	0	503	0
Other expenses	0	54	0
Annual allowance for ICT expenses	3,500	3,503	3,500
	144,201	109,891	114,294
Elected member 2			
Deputy Mayor's allowance	22,999	15,758	18,398
Meeting attendance fees	32,470	31,707	31,678
Annual allowance for ICT expenses	3,500	3,503	3,500
	58,969	50,968	53,576
Elected member 3			
Meeting attendance fees	32,470	31,678	31,678
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,178	35,178
Elected member 4			
Meeting attendance fees	32,470	22,334	31,678
Annual allowance for ICT expenses	3,500	2,468	3,500
	35,970	24,802	35,178
Elected member 5			
Meeting attendance fees	32,470	31,707	31,678
Annual allowance for ICT expenses	3,500	3,503	3,500
	35,970	35,210	35,178
Elected member 6			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	1,904	0
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	37,082	35,178
Elected member 7			
Meeting attendance fees	32,470	31,707	31,678
Other expenses	0	250	0
Annual allowance for ICT expenses	3,500	3,503	3,500
	35,970	35,460	35,178
Elected member 8			
Meeting attendance fees	32,470	31,678	31,678
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,178	35,178
Elected member 9			
Meeting attendance fees	32,470	22,334	22,334
Other expenses	0	192	0
Annual allowance for ICT expenses	3,500	2,468	2,468
	35,970	24,994	24,802
Elected member 10			
Meeting attendance fees	32,470	31,678	31,678
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,178	35,178
Elected member 11			
Meeting attendance fees	32,470	31,707	31,678
Other expenses	0	300	0
Annual allowance for ICT expenses	3,500	3,503	3,500
	35,970	35,510	35,178
Elected member 12			
Mayor's allowance	0	26,557	26,475
Deputy Mayor's allowance	0	0	4,040
Meeting attendance fees	32,470	36,394	31,678
Annual allowance for ICT expenses	3,500	3,503	3,500
	35,970	66,454	65,693
Elected member 13			
Meeting attendance fees	32,470	31,642	31,678
Annual allowance for ICT expenses	3,500	2,468	3,500
	35,970	34,110	35,178
Elected member 14			
Meeting attendance fees	0	9,373	9,344
Annual allowance for ICT expenses	0	1,036	1,032
	0	10,409	10,376
Total Elected Member Remuneration	598,840	570,424	585,343
Mayor's allowance	91,997	89,835	89,753
Deputy Mayor's allowance	22,999	15,758	22,438
Meeting attendance fees	438,344	418,170	427,652
Child care expenses	0	503	0
Other expenses	0	2,700	0
Annual allowance for ICT expenses	45,500	43,458	45,500
	598,840	570,424	585,343

14. MAJOR LAND TRANSACTIONS

(a) Details

The 7 and 9 Quarry Street land is re-budgeted for sale in 2022/23 financial year with sale proceeds of \$4,970,000. The sales proceeds are expected to be transferred to Investment Reserve to fund Kings Square project.

(b) Current year transactions

	Note	2022/23 Budget	2021/22 Estimate	2021/22 Budget
		\$	\$	\$
Capital revenue				
7 Quarry Street, Fremantle		2,720,000	0	2,720,000
9 Quarry Street Fremantle		2,250,000	0	2,250,000
Capital expenditure				
Transfer to Reserve - Sale Proceeds	5(b)	(4,970,000)	0	(4,970,000)
		0	0	0

(c) Expected future cash flows

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
Transfer to Reserve - Sale Proceeds	(4,970,000)	0	0	0	0	(4,970,000)
	(4,970,000)	0	0	0	0	(4,970,000)
Cash Inflows						
- Sale proceeds						
7 Quarry Street Fremantle	2,720,000	0	0	0	0	2,720,000
9 Quarry Street Fremantle	2,250,000	0	0	0	0	2,250,000
	4,970,000	0	0	0	0	4,970,000
Net cash flows	0	0	0	0	0	0

15. 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 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Cash In Lieu of Parking	469,360			469,360
				0
Cash In Lieu of Public Open Space				0
37 Strang Street subdivision	85,673			85,673
				0
Bequests				0
Gwenth Ewens	26,552	3,000		29,552
John Francis Boyd	2,700			2,700
Victor Felstead	11,305			11,305
				0
Unclaimed Funds - Debtors	2,549			2,549
				0
Unclaimed Funds - Stale Cheques	49,026			49,026
				0
Miscellaneous	750,689		(750,689)	0
				0
Trust Account Interest	56,146			56,146
				0
	1,454,000	3,000	(750,689)	706,311

16. FEES AND CHARGES

	2022/23 Budget	2021/22 Estimate	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	45,700	42,707	45,700
General purpose funding	176,000	175,347	200,500
Law, order, public safety	2,380,000	2,606,492	2,165,900
Health	585,000	701,914	552,140
Education and welfare	292,830	331,998	277,830
Community amenities	1,760,833	1,741,097	1,668,550
Recreation and culture	7,432,188	5,875,311	6,541,131
Transport	9,276,500	9,514,814	9,233,130
Economic services	572,500	650,786	465,000
Other property and services	962,990	1,103,128	997,250
	23,484,541	22,743,594	22,147,131