



Budget

2024-25

CITY OF FREMANTLE
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

LOCAL GOVERNMENT ACT 1995

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CITY'S 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 2025

| | | 2024/25 | 2023/24 | 2023/24 |
|-----------------------------------------------------------------------------------|-------|--------------------|---------------------|------------------|
| | Note | Budget | Actual Estimate | Budget |
| Revenue | | \$ | \$ | \$ |
| Rates | 2(a) | 63,521,561 | 59,727,371 | 57,899,128 |
| Grants, subsidies and contributions | | 3,691,053 | 2,986,703 | 3,857,232 |
| Fees and charges | 18 | 25,638,793 | 24,794,167 | 24,971,153 |
| Service charges | 2(e) | 8,804 | 8,804 | 8,804 |
| Interest revenue | 10(a) | 2,021,000 | 2,974,375 | 1,508,875 |
| Other revenue | | 1,828,105 | 2,502,664 | 1,770,118 |
| | | 96,709,316 | 92,994,084 | 90,015,310 |
| Expenses | | | | |
| Employee costs | | (49,394,227) | (44,908,069) | (46,493,382) |
| Materials and contracts | | (33,994,809) | (33,783,542) | (32,528,166) |
| Utility charges | | (2,183,433) | (2,109,155) | (2,106,655) |
| Depreciation | 6 | (22,295,343) | (22,431,345) | (11,705,852) |
| Finance costs | 10(c) | (397,677) | (475,729) | (453,974) |
| Insurance | | (1,192,409) | (1,167,587) | (1,167,587) |
| Other expenditure | | (1,478,814) | (1,884,011) | (1,747,866) |
| | | (110,936,712) | (106,759,438) | (96,203,482) |
| | | (14,227,396) | (13,765,354) | (6,188,172) |
| Capital grants, subsidies and contributions | | 4,967,186 | 1,403,574 | 7,723,166 |
| Profit on asset disposals | 5 | 0 | 56,000 | 313,000 |
| Loss on asset disposals | 5 | 0 | (386,631) | (386,631) |
| | | 4,967,186 | 1,072,943 | 7,649,535 |
| Net result for the period | | (9,260,210) | (12,692,411) | 1,461,363 |
| Other comprehensive income for the period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | | 0 | 0 | 0 |
| Share of comprehensive income of associates accounted for using the equity method | | 0 | 0 | 0 |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | (9,260,210) | (12,692,411) | 1,461,363 |

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 2025

| | | 2024/25 | 2023/24 | 2023/24 |
|------------------------------------------------------------|-------------|---------------------|------------------------|---------------------|
| | Note | Budget | Actual Estimate | Budget |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | \$ 63,496,561 | \$ 59,878,267 | \$ 57,899,128 |
| Grants, subsidies and contributions | | 3,684,836 | 2,176,953 | 3,957,424 |
| Fees and charges | | 25,638,793 | 24,794,167 | 24,907,373 |
| Service charges | | 8,804 | 8,804 | 8,804 |
| Interest revenue | | 2,021,000 | 2,974,375 | 1,508,875 |
| Goods and services tax received | | 4,500,000 | 4,500,000 | 4,500,000 |
| Other revenue | | 1,828,105 | 2,502,664 | 1,770,118 |
| | | 101,178,099 | 96,835,230 | 94,551,722 |
| Payments | | | | |
| Employee costs | | (48,944,227) | (45,229,639) | (44,993,382) |
| Materials and contracts | | (33,594,809) | (31,763,153) | (32,522,500) |
| Utility charges | | (2,183,433) | (2,109,155) | (2,106,655) |
| Finance costs | | (397,677) | (401,405) | (453,974) |
| Insurance paid | | (1,192,409) | (1,167,587) | (1,167,587) |
| Goods and services tax paid | | (4,500,000) | (4,500,000) | (4,500,000) |
| Other expenditure | | (1,478,814) | (1,884,011) | (1,747,866) |
| | | (92,291,369) | (87,054,950) | (87,491,964) |
| Net cash provided by operating activities | 4 | 8,886,730 | 9,780,280 | 7,059,758 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of investment property | 5(d) | (2,446,910) | (181,660) | (2,263,910) |
| Payments for purchase of property, plant & equipment | 5(a) | (8,115,051) | (5,476,076) | (12,209,476) |
| Payments for construction of infrastructure | 5(b) | (8,611,689) | (3,696,565) | (10,048,295) |
| Capital grants, subsidies and contributions | | 4,069,314 | 1,571,336 | 3,444,227 |
| Proceeds from sale of land held for resale | 5(c) | 4,350,000 | 0 | 4,500,000 |
| Proceeds from sale of property, plant and equipment | 5(a) | 0 | 179,000 | 179,000 |
| Proceeds on disposal of financial assets - unrestricted | | 4,000,000 | 0 | 6,252,330 |
| Net cash (used in) investing activities | | (6,754,336) | (7,603,965) | (10,146,124) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 7(a) | (1,639,060) | (1,863,051) | (1,863,051) |
| Payments for principal portion of lease liabilities | 8 | (625,161) | (711,151) | (613,662) |
| Payments for financial assets - restricted | | 0 | 0 | (1,000,000) |
| Proceeds on disposal of financial assets - restricted | | 1,117,464 | (3,494,248) | 7,123,004 |
| Net cash provided by (used in) financing activities | | (1,146,757) | (6,068,450) | 3,646,291 |
| Net increase (decrease) in cash held | | 985,637 | (3,892,135) | 559,925 |
| Cash at beginning of year | | 6,919,370 | 10,811,505 | 8,831,591 |
| Cash and cash equivalents at the end of the year | 4 | 7,905,007 | 6,919,370 | 9,391,516 |

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 2025

| | | 2024/25 | 2023/24 | 2023/24 |
|--------------------------------------------------------------------------|-------------|----------------------|------------------------|---------------------|
| | Note | Budget | Actual Estimate | Budget |
| OPERATING ACTIVITIES | | | | |
| Revenue from operating activities | | | | |
| | | \$ | \$ | \$ |
| General rates | 2(a)(i) | 54,848,112 | 51,432,952 | 49,659,832 |
| Rates excluding general rates | 2(a) | 8,673,449 | 8,294,419 | 8,239,296 |
| Grants, subsidies and contributions | | 3,691,053 | 2,986,703 | 3,857,232 |
| Fees and charges | 18 | 25,638,793 | 24,794,167 | 24,971,153 |
| Service charges | 2(e) | 8,804 | 8,804 | 8,804 |
| Interest revenue | 10(a) | 2,021,000 | 2,974,375 | 1,508,875 |
| Other revenue | | 1,828,105 | 2,502,664 | 1,770,118 |
| Profit on asset disposals | 5 | 0 | 56,000 | 313,000 |
| | | 96,709,316 | 93,050,084 | 90,328,310 |
| Expenditure from operating activities | | | | |
| Employee costs | | (49,394,227) | (44,908,069) | (46,493,382) |
| Materials and contracts | | (33,994,809) | (33,783,542) | (32,528,166) |
| Utility charges | | (2,183,433) | (2,109,155) | (2,106,655) |
| Depreciation | 6 | (22,295,343) | (22,431,345) | (11,705,852) |
| Finance costs | 10(c) | (397,677) | (475,729) | (453,974) |
| Insurance | | (1,192,409) | (1,167,587) | (1,167,587) |
| Other expenditure | | (1,478,814) | (1,884,011) | (1,747,866) |
| Loss on asset disposals | 5 | 0 | (386,631) | (386,631) |
| | | (110,936,712) | (107,146,069) | (96,590,113) |
| Non cash amounts excluded from operating activities | 3(c) | 22,370,343 | 22,835,414 | 11,852,921 |
| Amount attributable to operating activities | | 8,142,947 | 8,739,429 | 5,591,118 |
| INVESTING ACTIVITIES | | | | |
| Inflows from investing activities | | | | |
| Capital grants, subsidies and contributions | | 4,967,186 | 1,403,574 | 7,723,166 |
| Proceeds from disposal of assets | | 4,350,000 | 179,000 | 4,679,000 |
| | | 9,317,186 | 1,582,574 | 12,402,166 |
| Outflows from investing activities | | | | |
| Payments for investment property | 5(d) | (2,446,910) | (181,660) | (2,263,910) |
| Payments for property, plant and equipment | 5(a) | (8,115,051) | (5,476,076) | (12,209,476) |
| Payments for construction of infrastructure | 5(b) | (8,611,689) | (3,696,565) | (10,048,295) |
| | | (19,173,650) | (9,354,301) | (24,521,681) |
| Non-cash amounts excluded from investing activities | 3(d) | (4,000,000) | 4,000,000 | 0 |
| Amount attributable to investing activities | | (13,856,464) | (3,771,726) | (12,119,515) |
| FINANCING ACTIVITIES | | | | |
| Inflows from financing activities | | | | |
| Transfers from reserve accounts | 9(a) | 3,811,328 | 2,950,551 | 6,857,004 |
| | | 3,811,328 | 2,950,551 | 6,857,004 |
| Outflows from financing activities | | | | |
| Repayment of borrowings | 7(a) | (1,639,060) | (1,863,051) | (1,863,051) |
| Payments for principal portion of lease liabilities | 8 | (625,161) | (711,151) | (613,662) |
| Transfers to reserve accounts | 9(a) | (4,693,863) | (7,444,799) | (5,012,939) |
| | | (6,958,084) | (10,019,001) | (7,489,652) |
| Amount attributable to financing activities | | (3,146,756) | (7,068,450) | (632,648) |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | |
| Surplus at the start of the financial year | 3 | 8,923,468 | 11,024,215 | 7,177,108 |
| Amount attributable to operating activities | | 8,142,947 | 8,739,429 | 5,591,118 |
| Amount attributable to investing activities | | (13,856,464) | (3,771,726) | (12,119,515) |
| Amount attributable to financing activities | | (3,146,756) | (7,068,450) | (632,648) |
| Surplus/(deficit) remaining after the imposition of general rates | 3 | 63,195 | 8,923,468 | 16,063 |

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

**CITY OF FREMANTLE
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE BUDGET**

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1 BASIS OF PREPARATION

The annual budget 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 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 15 to the annual budget.

2023/24 actual (estimate) balances

Balances shown in this budget as 2023/24 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
- 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 2024-25 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 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [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

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
- estimation of provisions
- estimation of fair value of leases

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2. RATES AND SERVICE CHARGES

(a) Rating Information

| Rate Description | Basis of valuation | Rate in | Number of properties | Rateable value | 2024/25 Budgeted rate revenue | 2024/25 Budgeted interim rates | 2024/25 Budgeted total revenue | 2023/24 Actual Estimate total revenue | 2023/24 Budget total revenue |
|-------------------------------------------------|------------------------|----------|----------------------|----------------|-------------------------------|--------------------------------|--------------------------------|---------------------------------------|------------------------------|
| | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ |
| (i) General rates | | | | | | | | | |
| Residential Improved | Gross rental valuation | 0.083489 | 9,711 | 306,520,254 | 25,591,069 | 400,000 | 25,991,069 | 24,095,435 | 24,271,293 |
| Commercial & Industrial General | Gross rental valuation | 0.113216 | 1,439 | 152,003,777 | 17,209,260 | | 17,209,260 | 16,368,802 | 16,118,221 |
| City Centre Commercial | Gross rental valuation | 0.113216 | 358 | 87,431,323 | 9,898,625 | | 9,898,625 | 9,413,759 | 7,682,704 |
| Residential Short Term Accommodation | Gross rental valuation | 0.113176 | 210 | 5,283,760 | 597,995 | | 597,995 | 529,181 | 570,179 |
| Vacant Residential Land | Gross rental valuation | 0.144207 | 155 | 4,471,920 | 644,882 | | 644,882 | 598,328 | 669,257 |
| Vacant Commercial & Industrial | Gross rental valuation | 0.166978 | 38 | 3,032,025 | 506,281 | | 506,281 | 427,447 | 348,178 |
| Total general rates | | | 11,911 | 558,743,059 | 54,448,112 | 400,000 | 54,848,112 | 51,432,952 | 49,659,832 |
| | Minimum | \$ | | | | | | | |
| (ii) Minimum payment | | | | | | | | | |
| Residential Improved | Gross rental valuation | 1,738 | 4,411 | 78,597,824 | 7,666,318 | | 7,666,318 | 7,306,719 | 7,296,825 |
| Commercial & Industrial General | Gross rental valuation | 1,738 | 353 | 4,088,752 | 613,514 | | 613,514 | 572,203 | 559,011 |
| City Centre Commercial | Gross rental valuation | 1,738 | 67 | 734,456 | 116,446 | | 116,446 | 110,483 | 110,483 |
| Residential Short Term Accommodation | Gross rental valuation | 1,738 | 34 | 492,440 | 59,092 | | 59,092 | 52,768 | 49,470 |
| Vacant Residential Land | Gross rental valuation | 1,685 | 93 | 853,375 | 156,705 | | 156,705 | 161,499 | 161,499 |
| Vacant Commercial & Industrial | Gross rental valuation | 1,738 | 12 | 85,450 | 20,856 | | 20,856 | 19,788 | 19,788 |
| Total minimum payments | | | 4,970 | 84,852,297 | 8,632,931 | 0 | 8,632,931 | 8,223,460 | 8,197,076 |
| Total general rates and minimum payments | | | 16,881 | 643,595,356 | 63,081,043 | 400,000 | 63,481,043 | 59,656,412 | 57,856,908 |
| (iii) Specified area rates | | | | | | | | | |
| CBD Security Levy | | 0.001456 | 1,071 | 102,836,838 | 149,725 | | 149,725 | 141,190 | 119,210 |
| Leighton Maintenance | | 0.006299 | 336 | 13,503,777 | 85,059 | | 85,059 | 80,697 | 80,699 |
| Total specified area rates | | | 1,407 | 116,340,615 | 234,784 | 0 | 234,784 | 221,887 | 199,909 |
| | | | | | 63,315,827 | 400,000 | 63,715,827 | 59,878,299 | 58,056,817 |
| Concessions (Refer note 2(f)) | | | | | | | (194,266) | (150,928) | (157,689) |
| Total rates | | | | | 63,315,827 | 400,000 | 63,521,561 | 59,727,371 | 57,899,128 |

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 2024/25 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 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.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

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 06 September 2024 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 06 September 2024 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 17 January 2025, 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 06 September 2024 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 15 November 2024, or 2 months after the due date of the first instalment, whichever is later.
 Third Instalment to be paid on or before 17 January 2025, or 2 months after the due date of the second instalment, whichever is later.
 Fourth Instalment to be paid on or before 21 March 2025, 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 | 6/09/2024 | 0 | 0.0% | 11.0% |
| Option two | | | | |
| First instalment | 6/09/2024 | 0 | 0.0% | 11.0% |
| Second instalment | 17/01/2025 | 13.90 | 5.5% | 11.0% |
| Option three | | | | |
| First instalment | 6/09/2024 | 0 | 0.0% | 11.0% |
| Second instalment | 15/11/2024 | 13.90 | 5.5% | 11.0% |
| Third instalment | 17/01/2025 | 13.90 | 5.5% | 11.0% |
| Fourth instalment | 21/03/2025 | 13.90 | 5.5% | 11.0% |
| Option four | | | | |
| Weekly by direct debit of 40 payments ** | | 31.00 | 5.5% | 11.0% |
| ** Weekly payments on Friday commencing 6 September 2024 with final payment on 6 June 2025 (40 repayments) | | | | |
| Option five | | | | |
| Fortnightly by direct debit of 20 payments ** | | 31.00 | 5.5% | 11.0% |
| **Fortnightly payments on Friday commencing 6 September 2024 with final payment on 7 June 2025 (20 repayments) | | | | |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2. RATES AND SERVICE CHARGES (CONTINUED)

| | 2024/25 Budget revenue | 2023/24 Actual Estimate revenue | 2023/24 Budget revenue |
|-------------------------------------------------|---------------------------------------|------------------------------------------------|---------------------------------------|
| | \$ | \$ | \$ |
| Instalment plan admin charge revenue | 122,660 | 122,000 | 122,000 |
| Instalment plan interest earned | 300,000 | 365,500 | 300,000 |
| Unpaid rates and service charge interest earned | 102,500 | 102,500 | 102,500 |
| | 525,160 | 590,000 | 524,500 |

(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 |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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, 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. |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2. RATES AND SERVICE CHARGES (CONTINUED)

| Description | Characteristics | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. | 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 2025**

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 | 149,725 | 0 | 0 | A safety and security strategy for a specified area of the Fremantle CBD. | Bounded by Parry Street, South Terrace, Suffolk Street, Fishing Boaf Harbour (West of Mews Road) and along the coast to Bathers Beach, Fleet Street, Phillimore Street and Elder Place. |
| Leighton Maintenance | 85,059 | 85,059 | 56,650 | 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. |
| | 234,784 | 85,059 | 56,650 | | |

(e) Service Charges

| | Amount of charge | 2024/25 Budgeted revenue | Budget amount to be applied to costs | Budget amount to be set aside to reserve | Reserve amount to be applied to costs | 2023/24 Actual Estimate revenue | 2023/24 Budget revenue |
|-----------------------|-------------------------|---------------------------------|---------------------------------------------|-------------------------------------------------|----------------------------------------------|----------------------------------------|-------------------------------|
| Service charge | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Community Bore | 124 | 8,804 | 8,804 | 8,804 | 8,804 | 8,804 | 8,804 |
| | | 8,804 | 8,804 | 8,804 | 8,804 | 8,804 | 8,804 |

| 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. |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

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 (\$) | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 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% | 6,718 | \$ 6,718 | \$ 6,383 | \$ 6,383 | Gross Lease - Rates & ESL | This property has been granted leases on a gross rental basis that includes annual rates and levies. |
| South Fremantle Football Club | Rate | Concession | 100.0% | 12,000 | 12,000 | 10,000 | 10,000 | 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% | 854 | 854 | 806 | 806 | Sporting Clubs - Rates | |
| Department of Planning and Heritage (owner) - Fremantle Prison - Childrens Literature | Rate | Concession | 100.0% | 10,375 | 10,375 | 9,788 | 9,788 | Sporting Clubs - Rates | |
| Fremantle Voulnteer Sea Rescue Group Incorporated | Rate | Concession | 100.0% | 3,367 | 3,367 | 3,177 | 3,177 | Sporting Clubs - Rates | |
| Hilton Park Bowling & Recreation Club Incorporated | Rate | Concession | 100.0% | 8,352 | 8,352 | 7,879 | 7,879 | Sporting Clubs - Rates | |
| Apace WA Incorporated | Rate | Concession | 100.0% | 9,394 | 9,394 | 8,862 | 8,862 | Sporting Clubs - Rates | |
| Fremantle Netball Association Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| Royal Fremantle Golf Course Pty Ltd | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| Fremantle Hockey Club Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| Fremantle Surf Life Saving Club Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| Fremantle Rugby League Football Club Incorporated | Rate | Concession | | 0 | 0 | 0 | 10,000 | Sporting Clubs - Rates | |
| Fremantle United Soccer & Recreational Club Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| North Fremantle Associated Clubs Incorporated | Rate | Concession | 100.0% | 3,985 | 3,985 | 3,760 | 3,760 | Sporting Clubs - Rates | |
| The WA Circus School Incorporated | Rate | Concession | 100.0% | 1,649 | 1,649 | 1,649 | 1,649 | Sporting Clubs - Rates | |
| Fremantle Park Sport & Community Centre Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Sporting Clubs - Rates | |
| Main Roads | Rate | Concession | 100.0% | 5,710 | 5,710 | 5,386 | 5,386 | Vacant Commercial - Rates | Crown Land lease that prohibits development |
| The Italian Club Fremantle Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 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 Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Community Groups | |
| WA Coratian Community Centre Incorporated | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 10,000 | 10,000 | Community Groups | |
| Fremantle Navy Club | Rate | Concession | 100.0% | 8,429 | 8,429 | 0 | 0 | Community Groups | |
| Fremantle Buffalo club | Rate | Concession | Max. \$12,000 | 12,000 | 12,000 | 0 | 0 | Community Groups | |
| Fremantle Men's shed | Rate | Concession | 100.0% | 3,433 | 3,433 | 3,239 | 0 | Community Groups | |
| | | | | | 194,266 | 150,928 | 157,689 | | |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
 Financial assets
 Receivables
 Inventories
 Other assets

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

| Note | 2024/25 Budget 30 June 2025 | 2023/24 Actual Estimate 30 June 2024 | 2023/24 Budget 30 June 2024 |
|------|-----------------------------------|--------------------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| 4 | 7,905,007 | 6,919,370 | 9,391,516 |
| | 24,876,817 | 29,994,281 | 10,099,214 |
| | 2,542,317 | 2,442,317 | 4,467,240 |
| | 122,573 | 122,573 | 180,796 |
| | 350,000 | 321,948 | 0 |
| | 35,796,714 | 39,800,489 | 24,138,766 |
| | (9,077,897) | (8,677,897) | (8,179,215) |
| | (20,000) | (26,217) | (79,105) |
| | (4,000,000) | (869,820) | (1,000,000) |
| 8 | (620,000) | (625,161) | (622,349) |
| 7 | (1,335,027) | (1,639,060) | (1,618,576) |
| | (6,714,934) | (6,264,934) | (6,765,169) |
| | (21,767,858) | (18,103,089) | (18,264,414) |
| | 14,028,856 | 21,697,400 | 5,874,352 |
| 3(b) | (13,965,661) | (12,773,932) | (5,858,289) |
| | 63,195 | 8,923,468 | 16,063 |
| 9 | (15,920,688) | (15,038,153) | (8,099,214) |
| | 1,335,027 | 1,639,060 | 1,618,576 |
| | 620,000 | 625,161 | 622,349 |
| | (13,965,661) | (12,773,932) | (5,858,289) |

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 and debtors

Non cash amounts excluded from operating activities

| Note | 2024/25 Budget 30 June 2025 | 2023/24 Actual Estimate 30 June 2024 | 2023/24 Budget 30 June 2024 |
|------|-----------------------------------|--------------------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| 5 | 0 | (56,000) | (313,000) |
| 5 | 0 | 386,631 | 386,631 |
| 6 | 22,295,343 | 22,431,345 | 11,705,852 |
| | 75,000 | 73,438 | 73,438 |
| | 22,370,343 | 22,835,414 | 11,852,921 |

(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

Non cash amounts excluded from investing activities

| Note | 2024/25 Budget 30 June 2025 | 2023/24 Actual Estimate 30 June 2024 | 2023/24 Budget 30 June 2024 |
|------|-----------------------------------|--------------------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| | (4,000,000) | 4,000,000 | 0 |
| | (4,000,000) | 4,000,000 | 0 |

3. NET CURRENT ASSETS

(e) 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.

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.

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 2025

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 | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|----------------------------|-------------------|
| Cash at bank and on hand | | \$ 4,798,163 | \$ 4,812,526 | \$ 7,751,624 |
| Term deposits | | 3,106,844 | 2,106,844 | 1,639,892 |
| Total cash and cash equivalents | | 7,905,007 | 6,919,370 | 9,391,516 |
| Held as | | | | |
| - Unrestricted cash and cash equivalents | | 905,007 | 1,049,549 | 9,391,516 |
| - Restricted cash and cash equivalents | | 7,000,000 | 5,869,821 | 0 |
| | 3(a) | 7,905,007 | 6,919,370 | 9,391,516 |
| 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 | | 7,000,000 | 5,869,821 | 0 |
| - Restricted financial assets at amortised cost - term deposits | | 12,920,688 | 14,038,152 | 9,099,214 |
| | | 19,920,688 | 19,907,973 | 9,099,214 |
| The assets are restricted as a result of the specified purposes associated with the liabilities below: | | | | |
| Financially backed reserves | 9 | 15,920,688 | 15,038,153 | 8,099,214 |
| Unspent capital grants, subsidies and contribution liabilities | | 4,000,000 | 4,869,820 | 1,000,000 |
| | | 19,920,688 | 19,907,973 | 9,099,214 |
| Reconciliation of net cash provided by operating activities to net result | | | | |
| Net result | | (9,260,210) | (12,692,411) | 1,461,363 |
| Depreciation | 6 | 22,295,343 | 22,431,345 | 11,705,852 |
| (Profit)/loss on sale of asset | 5 | 0 | 330,631 | 73,631 |
| (Increase)/decrease in receivables | | (25,000) | (135,532) | 67,772 |
| (Increase)/decrease in inventories | | 0 | 27,118 | 0 |
| Increase/(decrease) in payables | | 400,000 | 1,265,900 | 5,666 |
| Increase/(decrease) in contract liabilities | | (6,217) | (523,322) | (31,360) |
| Increase/(decrease) in unspent capital grants | | (869,820) | 194,087 | (4,278,939) |
| Increase/(decrease) in employee provisions | | 450,000 | 453,800 | 1,500,000 |
| Capital grants, subsidies and contributions | | (4,097,366) | (1,571,336) | (3,444,227) |
| Net cash from operating activities | | 8,886,730 | 9,780,280 | 7,059,758 |

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 2025

5. PROPERTY, PLANT AND EQUIPMENT

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

| | 2024/25 Budget | | | 2023/24 Actual Estimate | | | | | 2023/24 Budget | | | | |
|------------------------------------------|-------------------|----------------------------|---------------------------|-------------------------|----------------------------|---------------------------|--------------------|------------------|-------------------|----------------------------|---------------------------|--------------------|------------------|
| | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Disposals - Profit | Disposals - Loss | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Disposals - Profit | Disposals - Loss |
| (a) Property, Plant and Equipment | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Buildings - non-specialised | 6,723,045 | | | 2,563,536 | | | | | 9,275,038 | | | | |
| Furniture and equipment | 162,006 | | | 337,000 | | | | | 437,438 | | | | |
| Plant and equipment | 1,230,000 | | | 2,575,540 | 509,631 | 179,000 | 56,000 | (386,631) | 2,497,000 | 509,631 | 179,000 | 56,000 | (386,631) |
| Total | 8,115,051 | 0 | 0 | 5,476,076 | 509,631 | 179,000 | 56,000 | (386,631) | 12,209,476 | 509,631 | 179,000 | 56,000 | (386,631) |
| (b) Infrastructure | | | | | | | | | | | | | |
| Infrastructure - roads | 2,928,385 | | | 374,475 | | | | | 2,458,017 | | | | |
| Infrastructure - footpaths | 538,000 | | | 455,761 | | | | | 205,940 | | | | |
| Infrastructure - drainage | 450,000 | | | 385,367 | | | | | 394,909 | | | | |
| Infrastructure - parks and ovals | 2,433,784 | | | 1,959,596 | | | | | 6,467,233 | | | | |
| Infrastructure Other | 2,261,520 | | | 521,366 | | | | | 522,196 | | | | |
| Total | 8,611,689 | 0 | 0 | 3,696,565 | 0 | 0 | 0 | 0 | 10,048,295 | 0 | 0 | 0 | 0 |
| (c) Land held for resale | | | | | | | | | | | | | |
| Land held for resale | | 4,350,000 | 4,350,000 | | 0 | 0 | 0 | | | 4,243,000 | 4,500,000 | 257,000 | |
| | 0 | 4,350,000 | 4,350,000 | 0 | 0 | 0 | 0 | 0 | 0 | 4,243,000 | 4,500,000 | 257,000 | 0 |
| (d) Investment Property | | | | | | | | | | | | | |
| Land | 800,000 | | | 0 | | | | | 300,000 | | | | |
| Buildings | 1,646,910 | | | 181,660 | | | | | 1,963,910 | | | | |
| | 2,446,910 | 0 | 0 | 181,660 | 0 | 0 | 0 | 0 | 2,263,910 | 0 | 0 | 0 | 0 |
| Total | 19,173,650 | 4,350,000 | 4,350,000 | 9,354,301 | 509,631 | 179,000 | 56,000 | (386,631) | 24,521,681 | 4,752,631 | 4,679,000 | 313,000 | (386,631) |

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 2025

6. DEPRECIATION

By Class

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

By Program

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

| 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|---------------------------|------------------------------------|---------------------------|
| \$ | \$ | \$ |
| 7,050,954 | 7,007,459 | 2,846,808 |
| 148,333 | 152,378 | 220,920 |
| 423,066 | 428,351 | 994,848 |
| 4,673,899 | 4,600,448 | 2,872,512 |
| 1,777,960 | 1,766,064 | 1,273,068 |
| 813,171 | 797,238 | 791,292 |
| 5,752,918 | 5,733,398 | 1,703,640 |
| 1,031,441 | 1,018,204 | 386,495 |
| 127,555 | 150,271 | 127,905 |
| 496,046 | 777,533 | 488,364 |
| 22,295,343 | 22,431,345 | 11,705,852 |
| 2,924,082 | 3,177,236 | 1,789,389 |
| 162,957 | 167,449 | 170,016 |
| 1,238 | 1,249 | 0 |
| 45,230 | 45,629 | 60,912 |
| 114,184 | 113,572 | 135,024 |
| 9,320,637 | 9,282,401 | 3,488,626 |
| 8,223,268 | 8,122,441 | 5,305,777 |
| 6,135 | 6,185 | 0 |
| 1,497,612 | 1,515,183 | 756,108 |
| 22,295,343 | 22,431,345 | 11,705,852 |

MATERIAL 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.

asset are:

| 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 |

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

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 | 2024/25 | Budget | 2024/25 | Actual | 2023/24 | Actual Estimate | 2023/24 | Budget | 2023/24 | Budget | 2023/24 |
|----------------------------------------|-------------|---------------|--------------------------|-----------------------------------|------------------------------------------|------------------------|--------------------------|-------------------------|------------------------------------------|------------------------|--------------------------|-------------------------|------------------------------------------|------------------------|
| | | | Principal 1 July 2024 | Budget Principal Repayments | Principal outstanding 30 June 2025 | Interest Repayments | Principal 1 July 2023 | Principal Repayments | Principal outstanding 30 June 2024 | Interest Repayments | Principal 1 July 2023 | Principal Repayments | Principal outstanding 30 June 2024 | Interest Repayments |
| | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 307 Walyalup Civic Centre and Library | WATC | 1.96 | 16,598,571 | (892,633) | 15,705,938 | (320,947) | 17,473,964 | (875,393) | 16,598,571 | (338,184) | 17,473,963 | (875,394) | 16,598,569 | (338,184) |
| 298 Leighton Beach Kiosk & Changerooms | WATC | 3.00 | 205,803 | (163,935) | 41,867 | (3,570) | 364,218 | (158,415) | 205,803 | (9,132) | 364,219 | (158,416) | 205,803 | (9,132) |
| 301 Leighton Beach Kiosk | WATC | 3.15 | 92,303 | (40,220) | 52,083 | (2,119) | 131,281 | (38,978) | 92,303 | (3,372) | 131,281 | (38,977) | 92,304 | (3,372) |
| 303 Fremantle Boys School | WATC | 2.86 | 231,314 | (74,918) | 156,396 | (5,817) | 304,127 | (72,813) | 231,314 | (7,920) | 304,127 | (72,813) | 231,314 | (7,920) |
| 308 Arthur Head - Wall stabilisation | WATC | 1.50 | 358,391 | (48,751) | 309,640 | (5,619) | 406,359 | (47,968) | 358,391 | (6,396) | 406,358 | (47,968) | 358,390 | (6,396) |
| 284 Road Asset Program | WATC | 4.01 | 0 | 0 | 0 | 0 | 19,622 | (19,622) | 0 | 0 | 19,622 | (19,622) | 0 | 0 |
| 289 Road Asset Program | WATC | 3.99 | 53,201 | (53,201) | 0 | 0 | 260,809 | (207,608) | 53,201 | (5,256) | 260,811 | (207,608) | 53,203 | (5,256) |
| 290 Footpath Asset Program | WATC | 3.99 | 10,734 | (10,734) | 0 | 0 | 52,609 | (41,875) | 10,734 | (1,056) | 52,607 | (41,875) | 10,732 | (1,056) |
| 291 Drainage Asset Program | WATC | 3.99 | 9,068 | (9,068) | 0 | 0 | 44,456 | (35,388) | 9,068 | (900) | 44,457 | (35,388) | 9,069 | (900) |
| 295 Road Asset Program | WATC | 3.44 | 130,253 | (103,757) | 26,497 | (2,260) | 230,516 | (100,263) | 130,253 | (5,784) | 230,519 | (100,263) | 130,256 | (5,784) |
| 296 Footpath Asset Program | WATC | 3.44 | 37,344 | (29,747) | 7,597 | (648) | 66,089 | (28,745) | 37,344 | (1,656) | 66,090 | (28,745) | 37,345 | (1,656) |
| 297 Drainage Asset Program | WATC | 3.44 | 43,419 | (34,586) | 8,834 | (753) | 76,840 | (33,421) | 43,419 | (1,932) | 76,840 | (33,421) | 43,419 | (1,932) |
| 300 Road Asset Program | WATC | 3.15 | 214,277 | (93,369) | 120,908 | (4,919) | 304,761 | (90,484) | 214,277 | (7,824) | 304,760 | (90,485) | 214,275 | (7,824) |
| 294B Acquisition 73 Hampton Road | WATC | 4.03 | 10,146 | (10,146) | 0 | 0 | 49,729 | (39,583) | 10,146 | (1,008) | 49,729 | (39,583) | 10,146 | (1,008) |
| 305 Heavy Vehicles | WATC | 2.86 | 165,224 | (53,513) | 111,711 | (4,156) | 217,233 | (52,009) | 165,224 | (5,664) | 217,233 | (52,010) | 165,223 | (5,664) |
| Share of SMRC* Loans | SMRC | 4.12** | 374,247 | (20,483) | 353,764 | (16,199) | 394,730 | (20,483) | 374,247 | (16,199) | 400,860 | (20,483) | 380,377 | (16,199) |
| | | | 18,534,294 | (1,639,060) | 16,895,234 | (367,006) | 20,397,343 | (1,863,051) | 18,534,294 | (412,283) | 20,403,476 | (1,863,051) | 18,540,425 | (412,283) |

All borrowing repayments 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 2025

7. BORROWINGS

(b) New borrowings - 2024/25

The City does not intend to undertake any new borrowings for the year ended 30th June 2025

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2024 nor is it expected to have unspent borrowing funds as at 30th June 2025.

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

| | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|--------------------------------------|-------------------|----------------------------|-------------------|
| 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 | 16,895,234 | 18,534,294 | 18,540,425 |
|----------------------------------------|------------|------------|------------|

MATERIAL 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 2025**

8. LEASE LIABILITIES

| Purpose | Lease Number | Institution | Lease Interest Rate | Lease Term | Budget Lease Principal | 2024/25 Budget Lease Principal Repayments | Budget Lease Principal outstanding 30 June 2025 | 2024/25 Budget Lease Interest Repayments | Actual Principal 1 July 2023 | 2023/24 Estimate Lease Principal repayments | Actual Estimate Lease Principal outstanding 30 June 2024 | 2023/24 Estimate Lease Interest repayments | Budget Principal 1 July 2023 | 2023/24 Budget Lease Principal repayments | Budget Lease Principal outstanding 30 June 2024 | 2023/24 Budget Lease Interest repayments |
|--------------------|--------------|--------------------------------------------|---------------------|------------|------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------|---------------------------------------------|----------------------------------------------------------|--------------------------------------------|------------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------|
| | | | | | 1 July 2024 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| CRT & MIS | 02 | C D SA (WA) Pty Ltd | 3.0% | 60 months | 32,638 | (24,757) | 7,881 | (587) | 55,095 | (22,457) | 32,638 | (1,311) | 49,173 | (22,457) | 26,716 | (1,225) |
| IT Server | 13 | Vestone Capital Pty Ltd | 4.7% | 60 months | 982,648 | (303,483) | 679,165 | (8,811) | 1,340,954 | (358,306) | 982,648 | (29,806) | 1,000,354 | (442,532) | 557,822 | (19,189) |
| Pool Cleaner | 06 | John Shenton Pumps | 3.0% | 24 months | 0 | 0 | 0 | 0 | 8,237 | (8,237) | 0 | (113) | 8,237 | (8,237) | 0 | (113) |
| Gym Equipment | 07 | Capital Finance | 3.0% | 48 months | 0 | 0 | 0 | 0 | 8,812 | (8,812) | 0 | (132) | 0 | 0 | 0 | 0 |
| Restaurant | 08 | Department of Planning, Lands and Heritage | 3.0% | 120 months | 35,646 | (35,646) | 0 | (856) | 70,249 | (34,603) | 35,646 | (1,397) | 62,432 | (34,603) | 27,829 | (1,397) |
| Car Park 19 | 12 | Burgess Rawson | 3.0% | 120 months | 582,321 | (94,301) | 488,020 | (15,699) | 673,828 | (91,507) | 582,321 | (18,494) | 673,828 | (91,507) | 582,321 | (18,494) |
| RFID - Library | 14 | Vestone Capital Pty Ltd | 4.0% | 60 months | 106,355 | (70,195) | 36,160 | (3,034) | 173,787 | (67,432) | 106,355 | (5,798) | 37,167 | (14,326) | 22,841 | (1,273) |
| IT Equipment | 15 | Vestone Capital Pty Ltd | 3.0% | 60 months | 22,287 | (14,709) | 7,578 | (1,684) | 36,418 | (14,131) | 22,287 | (1,153) | 0 | 0 | 0 | 0 |
| Computer Equipment | 16 | Vestone Capital Pty Ltd | 3.0% | 60 months | 82,070 | (82,070) | 0 | 0 | 187,736 | (105,666) | 82,070 | (5,242) | 0 | 0 | 0 | 0 |
| | | | | | 1,843,965 | (625,161) | 1,218,804 | (30,671) | 2,555,116 | (711,151) | 1,843,965 | (63,446) | 1,831,191 | (613,662) | 1,217,529 | (41,691) |

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 2025

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

| | 2024/25 Budget | | | | 2023/24 Actual Estimate | | | | 2023/24 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 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by legislation | | | | | | | | | | | | |
| (a) Cash-in-lieu of public open space reserve | 621,404 | | (10,000) | 611,404 | 621,404 | | 0 | 621,404 | 621,404 | 0 | (401,075) | 220,329 |
| (b) Specified area rate reserve - Leighton Precinct Maintenance Reserve | 214,575 | 85,059 | (56,650) | 242,984 | 221,674 | 80,697 | (87,796) | 214,575 | 188,877 | 80,697 | (55,000) | 214,574 |
| (c) Service charge reserve - White Gum Valley Precinct Community Bore Reserve | 24,479 | 8,804 | (8,804) | 24,479 | 31,114 | 8,804 | (15,439) | 24,479 | 24,479 | 8,804 | (8,804) | 24,479 |
| | 860,458 | 93,863 | (75,454) | 878,867 | 874,192 | 89,501 | (103,235) | 860,458 | 834,760 | 89,501 | (464,879) | 459,382 |
| Restricted by council | | | | | | | | | | | | |
| (d) Cantonment Hill Master Plan Reserve | 117,868 | | | 117,868 | 117,868 | | | 117,868 | 117,868 | 0 | 0 | 117,868 |
| Community Care Programs Reserve (Previously HACC) | 6,386 | | | 6,386 | 6,386 | | | 6,386 | 6,386 | 0 | 0 | 6,386 |
| (f) Fleet Reserve | 130,000 | | (130,000) | 0 | 500,000 | | (370,000) | 130,000 | 500,000 | 0 | (500,000) | 0 |
| (g) Fremantle Markets Conservation Reserve | 70,132 | | | 70,132 | 70,132 | | | 70,132 | 70,132 | 0 | (70,132) | 0 |
| (h) Fremantle Oval Reserve | 500,000 | | | 500,000 | 30,350 | 500,000 | (30,350) | 500,000 | 30,350 | 0 | (12,168) | 18,182 |
| (i) Hilton Park Sports Reserve | 2,331,889 | 250,000 | (291,889) | 2,290,000 | 2,000,000 | 500,000 | (168,111) | 2,331,889 | 2,000,000 | 0 | (780,000) | 1,220,000 |
| (j) Investment Fund Reserve | 3,450,708 | 4,350,000 | (183,866) | 7,616,842 | 768,016 | 2,981,860 | (299,168) | 3,450,708 | 659,792 | 4,600,000 | (547,315) | 4,712,477 |
| (k) Leisure Centre Upgrade Reserve | 533,600 | | | 533,600 | 33,600 | 500,000 | | 533,600 | 33,599 | 0 | 0 | 33,599 |
| (l) Parking Dividend Equalisation Reserve | 3,631,222 | | | 3,631,222 | 5,486,080 | 73,438 | (1,928,296) | 3,631,222 | 5,033,111 | 73,438 | (3,951,000) | 1,155,549 |
| (m) Parks Recreation and Facilities Reserve | 97,771 | | | 97,771 | 97,771 | | | 97,771 | 97,771 | 0 | 0 | 97,771 |
| (n) Sustainability Investment Reserve | 178,000 | | | 178,000 | 59,510 | 150,000 | (31,510) | 178,000 | 59,510 | 250,000 | (31,510) | 278,000 |
| (o) South Beach Reserve | 3,130,119 | | (3,130,119) | 0 | 500,000 | 2,650,000 | (19,881) | 3,130,119 | 500,000 | 0 | (500,000) | 0 |
| | 14,177,695 | 4,600,000 | (3,735,874) | 15,041,821 | 9,669,713 | 7,355,298 | (2,847,316) | 14,177,695 | 9,108,519 | 4,923,438 | (6,392,125) | 7,639,832 |
| | 15,038,153 | 4,693,863 | (3,811,328) | 15,920,688 | 10,543,905 | 7,444,799 | (2,950,551) | 15,038,153 | 9,943,279 | 5,012,939 | (6,857,004) | 8,099,214 |

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 |
|-------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (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 |
| (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) Cantonment Hill Master Plan Reserve | Ongoing | To fund capital works at Cantonment Hill in accordance with the Cantonment Hill Master Plan. |
| (e) Community Care Programs Reserve (Previously HACC) | Ongoing | To fund Community Care Programs. |
| (f) Fleet Reserve | Ongoing | To replace City's vehicles fleet when required. |
| (g) Fremantle Markets Conservation Reserve | Ongoing | To fund conservation works to the Fremantle Markets. |
| (h) Fremantle Oval Reserve | Ongoing | To fund capital and business planning costs associated with the redevelopment of the Fremantle Oval precinct. |
| (i) Hilton Park Sports Reserve | Ongoing | To fund sporting, infrastructure and facility improvements in and around Hilton Park Sports Reserve. |
| (j) 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. |
| (k) Leisure Centre Upgrade Reserve | Ongoing | To provide funds for major upgrading and refurbishment works at the Fremantle Leisure Centre. |
| (l) 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. |
| (m) 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. |
| (n) 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. |
| (o) South Beach Reserve | Ongoing | To fund infrastructure and facilities improvement. |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

10. OTHER INFORMATION

The net result includes as revenues

| | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|------------------------------|---------------------------|------------------------------------|---------------------------|
| | \$ | \$ | \$ |
| (a) Interest earnings | | | |
| Investments | 1,618,500 | 2,506,375 | 1,106,375 |
| Other interest revenue | 402,500 | 468,000 | 402,500 |
| | <u>2,021,000</u> | <u>2,974,375</u> | <u>1,508,875</u> |

The net result includes as expenses

(b) Auditors remuneration

| | | | |
|----------------|----------------|----------------|----------------|
| Audit services | 197,890 | 150,000 | 150,000 |
| Other services | 50,810 | 35,330 | 62,330 |
| | <u>248,700</u> | <u>185,330</u> | <u>212,330</u> |

(c) Interest expenses (finance costs)

| | | | |
|----------------------------------------------|----------------|----------------|----------------|
| Borrowings (refer Note 7(a)) | 367,006 | 412,283 | 412,283 |
| Interest on lease liabilities (refer Note 8) | 30,671 | 63,446 | 41,691 |
| | <u>397,677</u> | <u>475,729</u> | <u>453,974</u> |

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

11. ELECTED MEMBERS REMUNERATION

| | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|-----------------------------------|---------------------------|------------------------------------|---------------------------|
| | \$ | \$ | \$ |
| Mayor's allowance | 108,283 | 93,380 | 93,380 |
| Deputy Mayor's allowance | 27,071 | 22,780 | 23,345 |
| Meeting attendance fees | 439,524 | 379,035 | 432,225 |
| Other expenses | 5,000 | 1,338 | 5,000 |
| Annual allowance for ICT expenses | 38,500 | 40,533 | 44,150 |
| Travel and accommodation expenses | 5,000 | 0 | 5,000 |
| | 623,378 | 537,066 | 603,100 |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

12. MAJOR LAND TRANSACTIONS

(a) Details

The 7 and 9 Quarry Street land budgeted for sale in 2023/24 is currently awaiting settlement

(b) Current year transactions

| Note | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|------------------------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Capital revenue | | | |
| - Sale proceeds - 7 and 9 Quarry St, Fremantle | 4,350,000 | 0 | 4,500,000 |
| Capital expenditure | | | |
| - Cost of goods sold | 5(a) (4,350,000) | 0 | (4,500,000) |
| | 0 | 0 | 0 |

(c) Expected future cash flows

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
|----------------------------------------|-----------|---------|---------|---------|---------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Inflows | | | | | | |
| Proceeds on sale of land held for sale | 4,350,000 | | | | | 4,350,000 |
| | 4,350,000 | 0 | 0 | 0 | 0 | 4,350,000 |
| Net cash flows | 4,350,000 | 0 | 0 | 0 | 0 | 4,350,000 |

13. TRADING UNDERTAKINGS 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 has now approved a lease for the preferred operator.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

14. 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, effective 1 July 2025.

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

The City of Fremantle's interest in the RRG was 20.99 per cent as at 30 June 2023 (Audited).

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

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 | Estimated Balance 30 June 2024 | Estimated amounts received | Estimated amounts paid | Estimated balance 30 June 2025 |
|-----------------------------------|--------------------------------------|----------------------------------|------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Cash In Lieu of Parking | 469,360 | 0 | 0 | 469,360 |
| Cash In Lieu of Public Open Space | 85,673 | 0 | 0 | 85,673 |
| Gwenth Ewens | 31,568 | 0 | (2,800) | 28,768 |
| John Francis Boyd | 2,700 | 0 | 0 | 2,700 |
| Victor Felstead | 15,213 | 0 | (10,000) | 5,213 |
| Unclaimed Funds - Debtors | 4,441 | 0 | 0 | 4,441 |
| Miscellaneous | 173,054 | 0 | 0 | 173,054 |
| Trust Interest | 56,146 | 0 | 0 | 56,146 |
| | 838,155 | 0 | (12,800) | 825,355 |

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

16. 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
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16. 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 |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | Output method based on goods |

**CITY OF FREMANTLE
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17. PROGRAM INFORMATION

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

Governance

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

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.

General purpose funding

To collect revenue to allow the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

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

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

Education and welfare

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

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.

Housing

To provide and maintain elderly residence housing.

Provision and maintenance of elderly residence housing.

Community amenities

To provide services required by the community.

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.

Recreation and culture

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

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.

Transport

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

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.

Economic services

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

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

Other property and services

To monitor and control council's overhead operating accounts.

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

CITY OF FREMANTLE
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FOR THE YEAR ENDED 30 JUNE 2025

18. FEES AND CHARGES

| | 2024/25 Budget | 2023/24 Actual Estimate | 2023/24 Budget |
|-----------------------------|---------------------------|------------------------------------|---------------------------|
| | \$ | \$ | \$ |
| By Program: | | | |
| Governance | 48,771 | 67,350 | 47,350 |
| General purpose funding | 168,405 | 163,500 | 163,500 |
| Law, order, public safety | 2,382,431 | 2,382,400 | 2,382,400 |
| Health | 634,913 | 616,420 | 616,420 |
| Education and welfare | 308,363 | 304,228 | 283,775 |
| Community amenities | 1,845,755 | 1,970,904 | 1,785,187 |
| Recreation and culture | 7,870,718 | 6,697,249 | 7,430,631 |
| Transport | 10,548,998 | 10,488,592 | 10,275,105 |
| Economic services | 787,217 | 1,150,398 | 772,000 |
| Other property and services | 1,043,222 | 953,126 | 1,214,785 |
| | 25,638,793 | 24,794,167 | 24,971,153 |