



# Meeting attachments

Audit and Risk

Management Committee

Monday 15 September 2025 6pm

**ARMC2509-3 PROCUREMENT POLICY EXEMPTIONS JUNE TO AUGUST 2025**

1. Procurement Policy Exemptions June - August 2025 .....2

**ARMC2509-6 INFORMATION REPORT – DRAFT ANNUAL FINANCIAL  
STATEMENTS 30 JUNE 2025**

1. Draft Annual Financial Statements 2024-25.....6

**PURCHASING POLICY EXEMPTIONS**

POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd	Subscription (excluding software)	Institute of Public Works and Engineering	This subscription to the NAMS+ portal provides ISO 55000 compliant asset management templates tailored for local government and public entities in Australia and New Zealand. It is an industry-specific subscription offered by a not-for-profit organization, with no comparable resource available. The City has maintained this subscription for over 10 years, and its outputs are essential for developing compliant asset management plans and reporting. This year marks the first time the annual cost has exceeded the \$2,000 threshold, now totaling \$2,080.  Its specialized nature: industry specific and not available through existing contracts or suppliers.	12 Months	\$2,080.00	11/06/2025	Director Infrastructure
\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd	Specialist Consultant Advice	Asset Valuation Advisory	The City's 2025 Investment Land and Building Asset Valuations to be undertaken by last year's valuer AVA and given the timeframe to be completed (20 June 2025), only one written quote has been requested.  Specialized consultancy services.	One Off	\$4,950.00	12/06/2025	Director City Business
\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd	Specialist Legal Advice	Jackson McDonald	The City has been engaged with Jackson McDonald legal services to support the de-risking of various activities pertaining to Fremantle Oval Redevelopment and other major projects. Jackson McDonald has working knowledge of the City's upcoming projects and the application of the tender documents that require review.  Specialized legal services required to undertake an activity to review tender documents pertaining to a project that Jackson McDonald has been involved with on an ongoing basis.	3 Months	\$6,000.00	13/06/2025	Director Infrastructure
\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd	Original Equipment Manufacturer (OEM)	WA Hino	Hino provide the technical requirements, diagnostic tools, and specialized training necessary for the proper maintenance and servicing of Hino vehicles, it is in our operational and safety interest to utilize Hino-certified service facilities and parts. These centers ensure that all work is performed according to OEM specifications, ensuring vehicle warranties, regulatory compliance, and minimizing downtime.  The technical requirements demand specialized capabilities, or when using non-OEM providers would compromise safety, warranty, or operational efficiency. In this case, the maintenance and repair of Hino vehicles require proprietary tools, OEM-trained technicians, and access to OEM parts and software—services that only authorized Hino service centers can reliably provide. Therefore, the exemption falls within the established guidelines for sole-source and technical necessity justifications under our purchasing policy.	12 Months	\$7,000.00	17/07/2025	Director Infrastructure
\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd	Original Equipment Manufacturer (OEM)	Major Motors Isuzu Pty Ltd	Due to the specific technical requirements, diagnostic tools, and specialized training necessary for the proper maintenance and servicing of Isuzu Trucks, it is in our operational and safety interest to utilize Isuzu-certified service facilities and parts. These centers ensure that all work is performed according to OEM specifications, preserving vehicle warranties, ensuring regulatory compliance, and minimizing downtime.  This exemption request aligns with our organization's purchasing policy exemption criteria, when technical requirements demand specialized capabilities, or when using non-OEM providers would compromise safety, warranty, or operational efficiency. In this case, the maintenance and repair of Isuzu vehicles require proprietary tools, OEM-trained technicians, and access to manufacturer-specific parts and software—services that only Major Motors Isuzu service centers can provide.	12 Months	\$7,000.00	17/07/2025	Director Infrastructure
<b>Total Exemptions: \$2,000-\$9,999</b>					<b>\$</b>	<b>27,030.00</b>	

**City of Fremantle  
Audit and Risk Management Committee - Agenda  
15 September 2025**

**Procurement Policy Exemptions  
June - August 2025**

POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Statutory Advertising (e.g. state wide advertisements under the Act)	Omnicom Media Group Australia Pty Ltd	Omnicom Media Group Australia T/A MarketForce is a supplier used by local governments for publishing tenders in a manner deemed legislatively acceptable by the Local Government (Administration) Regulations 1996. Local Government (Administration) Regulations (1996) 1A(2)(a) states that all local governments are to provide a public notice in a "publication in a newspaper circulating generally in the State".	12 Months	\$15,000.00	09/07/2025	Director City Business
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Subscription (excluding software))	Intertek Inform	Intertek Inform have been the source of Standards for the City and we have a substantial library of standards accessed by all areas of business. License needs to be maintained to ensure all versions are current and no copyright breaches are made. It is a subscription to information - specific type of subscription.	12 Months	\$13,126.20	15/07/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Original Equipment Manufacturer (OEM)	Superior Pak Pty Ltd	The Waste Compactors are specifically made and designed by Superior Pak. Waste compactor panels, paddles, Bin lifter and bin lifter actuators are items which are made specifically for this purpose and OEM parts are needed. When possible we purchase bearings, seals, hydraulic filters from generic suppliers if of better value.	12 Months	\$30,000.00	15/07/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Sole Source of Supply	Rosmech Sales & Service	Due to the specific technical requirements, proprietary diagnostic tools, and specialized training necessary for the proper maintenance and servicing of Rosmech Sweepers, it is in our operational and safety interest to utilize Rosmech Sales and Service. They ensure that all work is performed according to OEM specifications, thereby, ensuring regulatory compliance, and minimizing downtime.  Sole Source Justification Rosmech is the exclusive Australian distributor for Scarab and Azura sweepers. Given that no other supplier can offer parts for these specific models or manufacturer-backed support.	12 Months	\$35,000.00	15/07/2025	CEO
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Sole Source of Supply	TQUIP	Due to the specific technical requirements, diagnostic tools, and specialized training necessary for the proper maintenance and servicing of Hako Sweepers, it is in our operational and safety interest to utilize TQuip parts and servicing. They ensure that all work is performed according to OEM specifications, ensuring regulatory compliance, and minimizing downtime.  TQuip is the exclusive West Australian distributor for Hako sweepers. Given that no other supplier can offer parts for these specific models or manufacturer-backed support.	12 Months	\$35,000.00	15/07/2025	CEO
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Metrocount	One of a type of data management system that is exclusive to eco traffic counter file formats. Holds all the historical data for the city. Current permanent traffic count sites are managed by Metrocount/Atlyst.  MetroCount is a unique provider of traffic monitoring equipment that uses a proprietary data file format known as ".eco". These files are generated exclusively by MetroCount counters and cannot be processed by any other system except ATLYST, which is a traffic data management platform developed by MetroCount.	12 Months	\$17,976.00	28/07/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Jackson McDonald	Jackson McDonald specialize in providing legal services to Local Government have provided advice for the City of Fremantle previously. The City requires legal advice regarding the responsibility of maintenance and potential liability relating the existing Rule Street drainage tunnel.  Jackson McDonald are one of the few legal practices that have an extensive background in working with Local Governments in Western Australia and have a trusted working relationship with the City of Fremantle.	One Off	\$17,147.40	04/08/2025	Director Creative Arts and Community

**City of Fremantle  
Audit and Risk Management Committee - Agenda  
15 September 2025**

**Procurement Policy Exemptions  
June - August 2025**

\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Sole Source of Supply	Truck Centre WA Pty Ltd	Truck Centre is the West Australian distributor for Volvo Trucks. The City requires Volvo truck parts, servicing and technical skills. Truck Centre is the West Australian distributor for Volvo Trucks. Maintain vehicle warranties. No other supplier can deliver specific parts, technical requirements and manufacturer-backed support.	12 Months	\$10,000.00	11/08/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Hocking Heritage	The consultants (Hocking Heritage) are already in the field doing a house-by-house heritage review of the initial area. We would like to expand the scope of the area to be reviewed. It makes sense to continue on with these consultants because they have been fully briefed and are already doing the work in the existing area. Maintaining the same consultants will ensure consistency in project delivery. When we originally went out to tender less than 3 months ago in May we received 3 responses and the chosen consultant was the best value for money. It is rational, in extending the area, to continue on with the same consultants rather than go out for another tender.	10 Months	\$13,250.00	15/08/2025	Director Planning, Place and Urban Development
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Professional / LG Memberships	Resource Recovery Group	The City of Fremantle as per the establishment agreement is a member council of Resource Recovery Group (RRG). RRG provide green waste processing/disposal services for Fremantle Recycling Centre. Purchase from Regional Government.	12 Months	\$30,000.00	25/08/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Professional / LG Memberships	Resource Recovery Group	The City of Fremantle as per the establishment agreement is a member council of Resource Recovery Group (RRG). RRG provide green waste processing/disposal services for Fremantle Recycling Centre. Purchase from Regional Government.	12 Months	\$30,000.00	25/08/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Professional / LG Memberships	Resource Recovery Group	The City of Fremantle as per the establishment agreement is a member council of Resource Recovery Group (RRG). RRG provide green waste processing/disposal services. Purchase from Regional Government.	12 Months	\$40,000.00	27/08/2025	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Procurement Plus	The City worked with Procurement Plus for the development of the new Council Procurement Policy and Procurement Procedures and Guidelines, because of this Procurement Plus has a specific understanding of the City's Procurement Policies and is best situated to develop quality training resources. Procurement Plus will provide the City with specialty Consultancy Services in the form of training resources and its associated content along with face to face training sessions on the new Council Procurement Policy and Procurement Procedures and Guidelines.	2 Months	\$15,430.00	27/08/2025	Director City Business

Total Exemptions: \$10,000-\$49,999

\$301,929.60

POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
\$50,000-\$249,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Sport Eng	Sport Eng has previous engagement on the Fremantle Oval Redevelopment projects' civil elements. As the business case evolves further, there are additional civil and geotechnical elements to be technically evaluated as iterations are considered. Continuation and consistency in Fremantle Oval Redevelopment project planning and de-risking activities.	18 Months	\$60,000.00	04/08/2025	Director Infrastructure
\$50,000-\$249,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	SLR Consulting Australia Pty Ltd	SLR Consulting was awarded contract RFQ598.24 to undertake Stage 2 of the detailed site investigation at 81 Knutsford Street, Operations Centre. As part of the continued Stage 2 investigation, additional work is required to further assess potential contamination levels and conduct geotechnical investigations in identified areas of concern. The City seeks an exemption due to SLR's existing data information and analytics, site/technical knowledge, and previous work undertaken. SLR Consulting is the incumbent currently conducting the Stage 2 site investigation and providing specialist environmental technical advice to the City.	3 Months	\$92,000.00	05/08/2025	Director Infrastructure

**Total Exemptions: \$50,000-\$249,999**

**\$152,000.00**



**DRAFT**  
**Annual Financial**  
**Statements**  
**2024-25**

fremantle.wa.gov.au

**CITY OF FREMANTLE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

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The City of Fremantle conducts the operations of a local government with the following community vision:

**Vision: Strong reputation, stronger future.**

Principal place of business:  
Walyalup Civic Centre  
151 High Street  
Fremantle WA 6160

**CITY OF FREMANTLE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CEO**

The accompanying financial report of the City of Fremantle has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

***This is the draft annual financial report for audit purpose. An update is required for the note of Investment in Associate once we receive the audited report from SMRC.***

Signed on the \_\_\_\_\_ day of \_\_\_\_\_ September 2025

\_\_\_\_\_  
A/Chief Executive Officer

\_\_\_\_\_  
Matt Hammond

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**CITY OF FREMANTLE  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),27	63,174,583	63,521,561	59,834,040
Grants, subsidies and contributions	2(a)	4,027,325	3,691,053	4,222,838
Fees and charges	2(a)	27,771,201	25,638,793	26,575,567
Service charges	2(a)	8,804	8,804	12,680
Interest revenue	2(a)	3,453,287	2,021,000	3,147,560
Other revenue	2(a)	2,933,091	1,828,105	2,567,322
		101,368,291	96,709,316	96,360,007
<b>Expenses</b>				
Employee costs	2(b)	(47,227,397)	(49,394,227)	(43,175,947)
Materials and contracts		(37,659,305)	(33,994,809)	(33,853,597)
Utility charges		(2,078,704)	(2,183,433)	(1,978,351)
Depreciation		(21,630,698)	(22,295,343)	(21,988,037)
Finance costs	2(b)	(398,584)	(397,677)	(466,912)
Insurance		(1,063,867)	(1,192,409)	(1,039,572)
Other expenditure	2(b)	(1,458,822)	(1,478,814)	(1,700,830)
		(111,517,377)	(110,936,712)	(104,203,246)
		(10,149,086)	(14,227,396)	(7,843,239)
Capital grants, subsidies and contributions	2(a)	2,613,130	4,967,186	1,507,843
Profit on asset disposals		109,042	0	21,941
Loss on asset disposals		(115,609)	0	(108,954)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(8,878)	0	4,203
Fair value adjustments to investment property	12	1,114,988	0	8,955,675
Fair value adjustments to assets hold for sale		0	0	(303,299)
Share of net profit of associates accounted for using the equity method	22	0	0	46,587
		3,712,673	4,967,186	10,123,996
<b>Net result for the period</b>	26(b)	<b>(6,436,413)</b>	<b>(9,260,210)</b>	<b>2,280,757</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	0	0	14,706,530
<b>Total other comprehensive income for the period</b>	17	<b>0</b>	<b>0</b>	<b>14,706,530</b>
<b>Total comprehensive income for the period</b>		<b>(6,436,413)</b>	<b>(9,260,210)</b>	<b>16,987,287</b>

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

**CITY OF FREMANTLE  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 \$	2024 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,820,625	10,539,663
Trade and other receivables	5	2,699,152	3,145,658
Other financial assets	4(a)	37,109,866	32,500,033
Inventories	6	185,125	173,258
Other assets	7	1,234,319	911,480
<b>TOTAL CURRENT ASSETS</b>		<b>48,049,087</b>	<b>47,270,092</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	1,121,716	1,037,598
Other financial assets	4(b)	199,049	207,927
Investment in associate	22	2,393,377	2,393,377
Property, plant and equipment	8	335,486,502	336,022,712
Infrastructure	9	319,261,138	328,572,831
Right-of-use assets	11(a)	1,035,307	1,137,591
Investment property	12	33,174,288	31,713,077
<b>TOTAL NON-CURRENT ASSETS</b>		<b>692,671,377</b>	<b>701,085,113</b>
<b>TOTAL ASSETS</b>		<b>740,720,464</b>	<b>748,355,205</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	6,981,685	7,531,635
Contract liabilities	14	675,782	466,765
Capital grant/contributions liabilities	14	4,068,512	519,211
Lease liabilities	11(b)	266,528	577,625
Borrowings	15	1,668,393	1,992,510
Employee related provisions	16	6,521,682	6,101,057
<b>TOTAL CURRENT LIABILITIES</b>		<b>20,182,582</b>	<b>17,188,803</b>
<b>NON-CURRENT LIABILITIES</b>			
Capital grant/contributions liabilities	14	724,421	4,087,974
Lease liabilities	11(b)	790,166	594,433
Borrowings	15	15,226,927	16,541,472
Employee related provisions	16	1,742,930	1,452,671
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>18,484,444</b>	<b>22,676,550</b>
<b>TOTAL LIABILITIES</b>		<b>38,667,026</b>	<b>39,865,353</b>
<b>NET ASSETS</b>		<b>702,053,438</b>	<b>708,489,852</b>
<b>EQUITY</b>			
Retained surplus		160,100,169	169,128,163
Reserve accounts	30	19,583,818	16,992,238
Revaluation surplus	17	522,369,451	522,369,451
<b>TOTAL EQUITY</b>		<b>702,053,438</b>	<b>708,489,852</b>

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

**CITY OF FREMANTLE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025**

	<b>NOTE</b>	<b>RETAINED SURPLUS \$</b>	<b>RESERVE ACCOUNTS \$</b>	<b>REVALUATION SURPLUS \$</b>	<b>TOTAL EQUITY \$</b>
<b>Balance as at 1 July 2023</b>		<b>173,295,740</b>	<b>10,543,904</b>	<b>507,662,921</b>	<b>691,502,565</b>
Correction of error		0	0	0	0
<b>Restated balance at the beginning of the financial year</b>		<b>173,295,740</b>	<b>10,543,904</b>	<b>507,662,921</b>	<b>691,502,565</b>
Comprehensive income for the period					
Net result for the period		2,280,757	0	0	2,280,757
Other comprehensive income for the period	17	0	0	14,706,530	14,706,530
Total comprehensive income for the period		2,280,757	0	14,706,530	16,987,287
Transfers from reserve accounts	30	995,620	(995,620)	0	0
Transfers to reserve accounts	30	(7,443,954)	7,443,954	0	0
<b>Balance as at 30 June 2024</b>		<b>169,128,163</b>	<b>16,992,238</b>	<b>522,369,451</b>	<b>708,489,852</b>
Comprehensive income for the period					
Net result for the period		(6,436,413)	0	0	(6,436,413)
Other comprehensive income for the period	17	0	0	0	0
Total comprehensive income for the period		(6,436,413)	0	0	(6,436,413)
Transfers from reserve accounts	30	3,578,663	(3,578,663)	0	0
Transfers to reserve accounts	30	(6,170,243)	6,170,243	0	0
<b>Balance as at 30 June 2025</b>		<b>160,100,169</b>	<b>19,583,818</b>	<b>522,369,451</b>	<b>702,053,439</b>

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**

	NOTE	2025 Actual \$	2024 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		63,461,732	59,605,623
Grants, subsidies and contributions		4,630,263	3,483,594
Fees and charges		27,655,383	26,620,010
Service charges		8,804	12,680
Interest revenue		3,453,287	3,147,560
Goods and services tax received		4,481,523	4,256,075
Other revenue		2,933,091	2,567,322
		<u>106,624,083</u>	<u>99,692,864</u>
<b>Payments</b>			
Employee costs		(45,334,276)	(42,219,310)
Materials and contracts		(39,714,779)	(34,797,095)
Utility charges		(2,078,704)	(1,978,351)
Finance costs		(398,584)	(466,912)
Insurance paid		(1,063,867)	(1,039,572)
Goods and services tax paid		(4,695,805)	(4,317,271)
Other expenditure		(1,458,822)	(1,700,830)
		<u>(94,744,837)</u>	<u>(86,519,341)</u>
<b>Net cash provided by (used in) operating activities</b>	18(b)	11,879,246	13,173,523
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(6,759,945)	(2,705,917)
Payments for construction of infrastructure	9(a)	(4,547,073)	(3,712,373)
Payments for investment property	12	(332,657)	(3,677)
Proceeds from capital grants, subsidies and contributions		2,653,879	1,412,971
(Payments to)/Proceeds for financial assets at amortised cost		(4,609,833)	(6,000,000)
Proceeds from sale of property, plant & equipment		228,984	68,902
		<u>(13,366,645)</u>	<u>(10,940,094)</u>
<b>Net cash provided by (used in) investing activities</b>		(13,366,645)	(10,940,094)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	29(a)	(1,638,664)	(1,863,363)
Payments for principal portion of lease liabilities	29(b)	(592,974)	(641,906)
		<u>(2,231,638)</u>	<u>(2,505,269)</u>
<b>Net cash provided by (used in) financing activities</b>		(2,231,638)	(2,505,269)
<b>Net increase (decrease) in cash held</b>		(3,719,037)	(271,840)
Cash at beginning of year		10,539,663	10,811,503
<b>Cash and cash equivalents at the end of the year</b>	18(a)	<u>6,820,626</u>	<u>10,539,663</u>

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**

NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$	
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	27	62,939,656	54,848,112	59,611,444
Rates excluding general rates	27	234,927	8,673,449	222,596
Grants, subsidies and contributions		4,027,325	3,691,053	4,222,838
Fees and charges		27,771,201	25,638,793	26,575,567
Service charges		8,804	8,804	12,680
Interest revenue		3,453,287	2,021,000	3,147,560
Other revenue		2,933,091	1,828,105	2,567,322
Profit on asset disposals		109,042	0	21,941
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	4,203
Fair value adjustments to investment property	12	1,114,988	0	8,955,675
Fair value adjustments to assets held for sale		0	0	(303,299)
Share of net profit of associates accounted for using the equity method	22	0	0	46,587
		<u>102,592,321</u>	<u>96,709,316</u>	<u>105,085,114</u>
<b>Expenditure from operating activities</b>				
Employee costs		(47,227,397)	(49,394,227)	(43,175,947)
Materials and contracts		(37,659,305)	(33,994,809)	(33,853,597)
Utility charges		(2,078,704)	(2,183,433)	(1,978,351)
Depreciation		(21,630,698)	(22,295,343)	(21,988,037)
Finance costs		(398,584)	(397,677)	(466,912)
Insurance		(1,063,867)	(1,192,409)	(1,039,572)
Other expenditure		(1,458,822)	(1,478,814)	(1,700,830)
Loss on asset disposals		(115,609)	0	(108,954)
Fair value adjustments to financial assets at fair value through profit or loss		(8,878)	0	0
		<u>(111,641,864)</u>	<u>(110,936,712)</u>	<u>(104,312,200)</u>
Non-cash amounts excluded from operating activities	28(a)	20,737,297	22,370,343	13,625,582
<b>Amount attributable to operating activities</b>		<u>11,687,754</u>	<u>8,142,947</u>	<u>14,398,496</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,613,130	4,967,186	1,507,843
Proceeds from disposal of assets		228,984	4,350,000	68,902
		<u>2,842,114</u>	<u>9,317,186</u>	<u>1,576,745</u>
<b>Outflows from investing activities</b>				
Right of use assets received - non cash		(477,613)		
Purchase of property, plant and equipment	8(a)	(6,759,945)	(2,446,910)	(2,758,591)
Purchase and construction of infrastructure	9(a)	(4,692,073)	(8,115,051)	(3,712,373)
Purchase of investment property	12	(332,657)	(8,611,689)	(3,677)
		<u>(12,262,288)</u>	<u>(19,173,650)</u>	<u>(6,474,641)</u>
Non-cash amounts excluded from investing activities		(18,552)	(4,000,000)	
<b>Amount attributable to investing activities</b>		<u>(9,420,174)</u>	<u>(13,856,464)</u>	<u>(4,897,896)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	30	3,578,663	3,811,328	995,620
		<u>3,578,663</u>	<u>3,811,328</u>	<u>995,620</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	29(a)	(1,638,664)	(1,639,060)	(1,863,363)
Proceeds from new lease - non cash		477,613		
Payments for principal portion of lease liabilities	29(b)	(592,974)	(625,161)	(641,906)
Transfers to reserve accounts	30	(6,170,243)	(4,693,863)	(7,443,954)
		<u>(7,924,268)</u>	<u>(6,958,084)</u>	<u>(9,949,223)</u>
Non-cash amounts excluded from financing activities	28(b)			
<b>Amount attributable to financing activities</b>		<u>(4,345,605)</u>	<u>(3,146,756)</u>	<u>(8,953,603)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	28(c)	11,571,212	8,923,468	11,024,215
Amount attributable to operating activities		11,687,754	8,142,947	14,398,496
Amount attributable to investing activities		(9,420,174)	(13,856,464)	(4,897,896)
Amount attributable to financing activities		(4,345,605)	(3,146,756)	(8,953,603)
<b>Surplus or deficit after imposition of general rates</b>	28(c)	<u>9,493,187</u>	<u>63,195</u>	<u>11,571,212</u>

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

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

**1. BASIS OF PREPARATION**

The financial report of the City of Fremantle which is a Class 1 local government comprises general purpose financial statements which have 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 financial report 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.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
  - infrastructure; or
  - vested improvements that the local government controls ;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report 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.

**Critical accounting estimates and judgements**

The preparation of a financial report 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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - Note 8
  - Infrastructure - Note 9

**Critical accounting estimates and judgements (Continued)**

- Expected credit losses on financial assets - Note 5
- Assets held for sale - Note 7
- Impairment losses of non-financial assets - Note 8 and Note 9
- Investment property - Note 12
- Measurement of employee benefits - Note 16

Fair value heirarchy information can be found in Note 25

**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 financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 9 of the financial report.

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *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 2023-3 Amendments to Australian Accounting Standards*
  - *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards*
  - *Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards*
  - *Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards*
  - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

**New accounting standards for application in future years**

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

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

These amendments are not expected to have any material impact on the financial report on initial application.

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility

Consideration from contracts with customers is included in the transaction price.

**Revenue Recognition**

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

**For the year ended 30 June 2025**

Nature	Contracts with	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	63,174,583	0	63,174,583
Grants, subsidies and contributions	0	0	0	4,027,325	4,027,325
Fees and charges	23,741,874	0	4,029,327	0	27,771,201
Service charges	0	0	8,804	0	8,804
Interest revenue	0	0	559,842	2,893,445	3,453,287
Other revenue	0	0	0	2,933,091	2,933,091
Capital grants, subsidies and contributions	0	2,613,130	0	0	2,613,130
<b>Total</b>	<b>23,741,874</b>	<b>2,613,130</b>	<b>67,772,556</b>	<b>9,853,861</b>	<b>103,981,421</b>

**For the year ended 30 June 2024**

Nature	Contracts with	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	59,834,040	0	59,834,040
Grants, subsidies and contributions	0	0	0	4,222,838	4,222,838
Fees and charges	22,859,690	0	3,715,877	0	26,575,567
Service charges	0	0	12,680	0	12,680
Interest revenue	0	0	511,903	2,635,657	3,147,560
Other revenue	0	0	0	2,567,322	2,567,322
Capital grants, subsidies and contributions	0	1,507,843	0	0	1,507,843
<b>Total</b>	<b>22,859,690</b>	<b>1,507,843</b>	<b>64,074,500</b>	<b>9,425,817</b>	<b>97,867,850</b>

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

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

Note	2025 Actual \$	2024 Actual \$
<b>Interest revenue</b>		
Interest on reserve account funds	1,206,187	1,039,772
Rates instalment and penalty interest	585,229	511,903
Trade and other receivables overdue interest		
Other interest revenue	1,661,871	1,595,885
	<u>3,453,287</u>	<u>3,147,560</u>

The 2025 original budget estimate in relation to:  
Rates instalment and penalty interest was \$402,500.

**Fees and charges relating to rates receivable**

Charges on instalment plan	130,241	126,946
----------------------------	---------	---------

The 2025 original budget estimate in relation to:  
Charges on instalment plan was \$122,660.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	146,796	138,737
- Other services – grant acquittals	15,603	22,021
	<u>162,399</u>	<u>160,758</u>

**Employee Costs**

Employee benefit costs	10,898,286	9,849,994
Other employee costs	36,329,111	33,325,953
	<u>47,227,397</u>	<u>43,175,947</u>

**Finance costs**

Borrowings	367,502	413,966
Lease liabilities	31,082	52,946
	<u>398,584</u>	<u>466,912</u>

**Other expenditure**

Sundry expenses	1,458,822	1,700,830
	<u>1,458,822</u>	<u>1,700,830</u>

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

**3. CASH AND CASH EQUIVALENTS**

Note	2025 \$	2024 \$
Cash at bank and on hand	6,820,625	5,369,536
Term deposits	0	5,170,127
<b>Total cash and cash equivalents</b>	<b>6,820,625</b>	<b>10,539,663</b>
Held as		
- Unrestricted cash and cash equivalents	1,045,526	8,663,377
- Restricted cash and cash equivalents	5,775,099	1,876,286
	<b>6,820,625</b>	<b>10,539,663</b>

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**4. OTHER FINANCIAL ASSETS**

	2025 \$	2024 \$
<b>(a) Current assets</b>		
Financial assets at amortised cost	37,109,866	32,500,033
	<b>37,109,866</b>	<b>32,500,033</b>
<b>Other financial assets at amortised cost</b>		
Term deposits - Restricted Reserves	19,583,819	16,992,238
Term deposits - Unrestricted	17,526,047	15,507,795
	<b>37,109,866</b>	<b>32,500,033</b>
Held as		
- Unrestricted other financial assets at amortised cost	17,526,047	15,507,795
- Restricted other financial assets at amortised cost	19,583,819	16,992,238
	<b>37,109,866</b>	<b>32,500,033</b>
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit or loss	199,049	207,927
	<b>199,049</b>	<b>207,927</b>
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	207,927	203,724
Movement attributable to fair value increment	(8,878)	4203
Units in Local Government House Trust - closing balance	<b>199,049</b>	<b>207,927</b>

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**MATERIAL ACCOUNTING POLICIES**

**Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Financial assets at fair value through profit or loss**

The City classifies the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has elected to recognise as fair value gains and losses through profit or loss.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 23.

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

**5. TRADE AND OTHER RECEIVABLES**

Note	2025	2024
	\$	\$
<b>Current</b>		
Rates and statutory receivables	865,976	1,224,429
Trade receivables	589,011	1,128,630
GST receivable	462,126	247,844
Receivables for employee related provisions	119,249	126,857
Allowance for credit losses of trade receivables	(89,562)	(205,380)
Prepayments	752,352	623,278
	2,699,152	3,145,658
<b>Non-current</b>		
Rates and statutory receivables	708,670	648,784
Receive NC Deferred Debtors General	286,782	294,535
Receivables for employee related provisions - Non current	126,264	94,279
	1,121,716	1,037,598

**Disclosure of opening and closing balances related to contracts with customers**

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	589,011	1,128,630	918,287
Allowance for credit losses of trade receivables	(89,562)	(205,380)	(160,938)
Total trade and other receivables from contracts with customers	499,449	923,250	757,349

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

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

**6. INVENTORIES**

Note	2025	2024
	\$	\$
<b>Current</b>		
Fuel and materials	67,510	53,209
Visitor centre stock	117,615	120,049
	<u>185,125</u>	<u>173,258</u>
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	173,258	186,122
Inventories expensed during the year	(700,671)	(441,461)
Additions to inventory	712,538	405,030
<b>Balance at end of year</b>	<u>185,125</u>	<u>173,258</u>

**MATERIAL ACCOUNTING POLICIES**

**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.

**Land held for resale**

Land held for development and resale 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.

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

**7. OTHER ASSETS**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Accrued income	1,234,319	911,480
	<u>1,234,319</u>	<u>911,480</u>

**MATERIAL ACCOUNTING POLICIES**  
**Other current assets**  
 Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.



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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Total Property</b>					<b>Plant and equipment</b>			<b>Total property, plant and equipment</b>
	<b>Land</b>	<b>Buildings - non-specialised</b>	<b>Total land and buildings not subject to operating lease</b>	<b>Buildings - work in progress</b>	<b>Total Property</b>	<b>Furniture and equipment</b>	<b>Plant and equipment</b>	<b>Plant and equipment - work in progress</b>	
<b>Balance at 1 July 2023</b>	81,388,747	230,874,694	312,263,441	597,646	312,861,087	5,427,798	3,806,924	0	322,095,809
Additions	0	2,188,905	2,188,905	0	2,188,905	7,501	562,185	0	2,758,591
Disposals	0	0	0	0	0	0	(155,915)	0	(155,915)
to revaluation surplus	19,048,453	(4,341,923)	14,706,530	0	14,706,530	0	0	0	14,706,530
Transfer to other asset class/operating	4,546,299	(55,575)	4,490,724	0	4,490,724	(52,674)	0	0	4,438,050
Impairment (losses) / reversals	(303,299)	0	(303,299)	0	(303,299)	0	0	0	(303,299)
Depreciation	0	(6,954,588)	(6,954,588)	0	(6,954,588)	(149,352)	(421,758)	0	(7,525,698)
Transfers	0	(852,964)	(852,964)	825,820	(27,144)	98,679	(62,891)	0	8,644
<b>Balance at 30 June 2024</b>	104,680,200	220,858,549	325,538,749	1,423,466	326,962,215	5,331,952	3,728,545	0	336,022,712
<b>Comprises:</b>									
Gross balance amount at 30 June 2024	104,680,200	369,585,800	474,266,000	1,423,466	475,689,466	7,762,574	11,249,535	0	494,701,575
Accumulated depreciation at 30 June 2024	0	(148,727,251)	(148,727,251)	0	(148,727,251)	(2,430,622)	(7,520,990)	0	(158,678,863)
<b>Balance at 30 June 2024</b>	104,680,200	220,858,549	325,538,749	1,423,466	326,962,215	5,331,952	3,728,545	0	336,022,712
Change in accounting policy									
<b>Restated balance at 1 July 2024</b>	104,680,200	220,858,549	325,538,749	1,423,466	326,962,215	5,331,952	3,728,545	0	336,022,712
Additions	0	5,384,320	5,384,320	0	5,384,320	32,024	1,343,601	0	6,759,945
Disposals	0	0	0	0	0	0	(235,551)	0	(235,551)
Transfer to other asset class/operating		0	0	(13,566)	(13,566)	0	0	0	(13,566)
Depreciation	0	(6,458,742)	(6,458,742)	0	(6,458,742)	(141,297)	(446,999)	0	(7,047,038)
(Transfers to)/from WIP	0	(767,212)	(767,212)	767,212	0	0	(347,133)	347,133	0
<b>Balance at 30 June 2025</b>	104,680,200	219,016,915	323,697,115	2,177,112	325,874,227	5,222,679	4,042,463	347,133	335,486,502
<b>Comprises:</b>									
Gross balance amount at 30 June 2025	104,680,200	374,202,908	478,883,108	2,177,112	481,060,220	7,794,597	10,764,828	347,133	499,966,778
Accumulated depreciation at 30 June 2025	0	(155,185,993)	(155,185,993)	0	(155,185,993)	(2,571,918)	(6,722,365)	0	(164,480,276)
<b>Balance at 30 June 2025</b>	104,680,200	219,016,915	323,697,115	2,177,112	325,874,227	5,222,679	4,042,463	347,133	335,486,502

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

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Land and buildings</b>					
Land	Level 2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2024	Price per hectare
Land	Level 2/3	Market approach using estimated data for similar properties	Independent registered valuers	June 2024	Estimated price per hectare
Buildings - non-specialised	Level 2/3	Market approach using recent observable data for similar properties or cost approach using depreciated replacement cost.	Independent registered valuers	June 2024	Average cost of construction by component (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Plant and equipment</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Buildings - work in progress</b>	N/A	N/A	Cost	Not applicable	N/A

**CITY OF FREMANTLE  
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FOR THE YEAR ENDED 30 JUNE 2025**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - Paths	Infrastructure - Drainage	Infrastructure - Parks	Infrastructure - Other	Other infrastructure-WIP	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	166,166,627	43,050,289	47,484,767	69,758,769	11,130,391	1,061,816	338,652,659
Additions	401,365	461,574	398,828	1,979,441	471,165	0	3,712,373
(Disposals)							0
Transfer between asset class	0	0	0	0	55,575	0	55,575
Depreciation	(4,567,970)	(1,757,526)	(792,583)	(5,707,890)	(1,013,163)	0	(13,839,132)
Transfers	443,142	(7,389)	(192,189)	(340,579)	(32,664)	121,035	(8,644)
<b>Balance at 30 June 2024</b>	162,443,164	41,746,948	46,898,823	65,689,741	10,611,304	1,182,851	328,572,831
<b>Comprises:</b>							
Gross balance at 30 June 2023	265,475,717	103,341,783	73,138,732	147,745,049	30,906,701	1,182,851	621,790,833
Accumulated depreciation at 30 June 2023	(103,032,553)	(61,594,835)	(26,239,909)	(82,055,308)	(20,295,397)	0	(293,218,002)
<b>Balance at 30 June 2024</b>	162,443,164	41,746,948	46,898,823	65,689,741	10,611,304	1,182,851	328,572,831
Change in accounting policy							
<b>Restated balance at 1 July 2024</b>	162,443,164	41,746,948	46,898,823	65,689,741	10,611,304	1,182,851	328,572,831
Additions	2,354,644	566,285	(21,665)	1,216,873	430,936	0	4,547,073
Non-cash additions	0	0	0	145,000	0	0	145,000
Depreciation	(4,621,319)	(1,784,173)	(797,563)	(5,808,211)	(992,500)	0	(14,003,766)
Transfers	(2,226,241)	2,022,835	21,665	634,424	(339,329)	(113,354)	0
<b>Balance at 30 June 2025</b>	157,950,248	42,551,895	46,101,260	61,877,827	9,710,411	1,069,497	319,261,138
<b>Comprises:</b>							
Gross balance at 30 June 2025	265,604,121	105,930,903	73,138,732	149,741,346	30,998,308	1,069,497	626,482,907
Accumulated depreciation at 30 June 2025	(107,653,873)	(63,379,008)	(27,037,472)	(87,863,519)	(21,287,897)	0	(307,221,769)
<b>Balance at 30 June 2025</b>	157,950,248	42,551,895	46,101,260	61,877,827	9,710,411	1,069,497	319,261,138

**CITY OF FREMANTLE  
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**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Infrastructure - roads</b>	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	The unit rates (Level 2), asset condition, residual values, pattern of consumption and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - Paths</b>	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	The unit rates (Level 2), asset condition, residual values, pattern of consumption and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - Drainage</b>	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	The unit rates (Level 2), asset condition, residual values, pattern of consumption and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - Parks</b>	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	The unit rates (Level 2), asset condition, residual values, pattern of consumption and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - Other</b>	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	The unit rates (Level 2), asset condition, residual values, pattern of consumption and remaining useful life assessments (Level 3) inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.					
<b>(ii) Current Replacement Cost</b>					
<b>Infrastructure - roads - WIP</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Infrastructure - Paths - WIP</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Infrastructure - Drainage - WIP</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Infrastructure - Parks - WIP</b>	N/A	N/A	Cost	Not applicable	N/A
<b>Infrastructure - Other - WIP</b>	N/A	N/A	Cost	Not applicable	N/A

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

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Land - freehold land	Not depreciated
Buildings - non-specialised	0 - 150
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

**Revision of useful lives of plant and equipment**

The useful life of Heritage buildings is extended to 150 years from 2024/25FY after the consultation with valuer.

**(b) Temporarily Idle or retired from use assets**

The carrying value of assets held by the City which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	<b>2025</b>	<b>2024</b>
	\$	\$
Buildings - non-specialised	959,422	990,850
	<u>959,422</u>	<u>990,850</u>

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the City to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, 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.

**Depreciation on revaluation**

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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.

**Gains or losses on disposal**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**11. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$
<b>Balance at 1 July 2023</b>		812,405	1,687,525	2,499,930
Additions		0	(739,132)	(739,132)
Depreciation		(127,905)	(495,302)	(623,207)
<b>Balance at 30 June 2024</b>		684,500	453,091	1,137,591
Gross balance amount at 30 June 2024		1,475,043	2,976,697	4,451,740
Accumulated depreciation at 30 June 2024		(790,543)	(2,523,606)	(3,314,149)
<b>Balance at 30 June 2024</b>		684,500	453,091	1,137,591
Movement		0	477,613	477,613
Depreciation		(452,342)	(127,555)	(579,897)
<b>Balance at 30 June 2025</b>		232,158	803,149	1,035,307
Gross balance amount at 30 June 2025		1,475,043	3,454,310	4,929,353
Accumulated depreciation at 30 June 2025		(1,242,885)	(2,651,161)	(3,894,046)
<b>Balance at 30 June 2025</b>		232,158	803,149	1,035,307

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2025 Actual	2024 Actual
	\$	\$
Depreciation on right-of-use assets	(579,897)	(623,207)
Finance charge on lease liabilities	29(b) (31,081)	(52,946)
Short-term lease payments recognised as expense	60,891	(3,374)
Expenses for variable lease payment not recognised as a liability	84,618	(8,351)
<b>Total amount recognised in the statement of comprehensive income</b>	(465,469)	(687,878)
Total cash outflow from leases	(624,056)	(694,852)

**(b) Lease Liabilities**

Current	266,528	577,625
Non-current	790,166	594,433
29(b)	1,056,694	1,172,058

The City has 7 leases relating to plant and equipment and 4 leases related to land and buildings. The lease term is normally between 2 years to 10 years. Refer to Note 29(b) for details of lease liabilities.

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

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

**11. LEASES (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Leases**

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and 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.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 29.

**Right-of-use assets - measurement**

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(c) Lessor - Property, Plant and Equipment Subject to Lease**

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year  
1 to 2 years  
2 to 3 years  
3 to 4 years  
4 to 5 years  
> 5 years

	<b>2025 Actual</b>	<b>2024 Actual</b>
	\$	\$
	2,765,008	2,686,759
	2,103,063	2,141,067
	2,046,468	2,039,200
	1,847,864	1,996,345
	1,833,238	1,993,199
	8,233,961	8,399,823
	<u>18,829,602</u>	<u>19,256,393</u>
<b>Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease</b>		
Rental income	2,837,964	3,213,135

The City leases commercial properties to tenants with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets to the lessee.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the City is exposed to changes in the residual value at the end of the current leases, the City typically enters into new operating leases and therefore will not immediately realise any reduction in the residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to note 12 for details of leased investment property.

**MATERIAL ACCOUNTING POLICIES**

**The City as Lessor**

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

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**12. INVESTMENT PROPERTY**

	<b>2025 Actual</b>	<b>2024 Actual</b>
	\$	\$
<b>Non-current assets - at fair value</b>		
Carrying balance at 1 July	31,713,077	22,753,725
Acquisitions	332,657	3,677
Transfer from other asset class	13,566	0
Net gain/(loss) from fair value adjustment	1,114,988	8,955,675
Closing balance at 30 June	33,174,288	31,713,077
<b>Amounts recognised in profit or loss for investment properties</b>		
Rental income	876,390	771,482
Reimbursement Income	15,347	9,806
Direct operating expenses from property that generated rental income	21,697	14,066
Direct operating expenses from property that did not generate rental income	132	413
Fair value gain recognised in profit or loss	1,114,988	8,955,675
	2,028,554	9,751,442

**Leasing arrangements**

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	<b>2025 Actual</b>	<b>2024 Actual</b>
	\$	\$
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Less than 1 year	844,375	915,560
1 to 2 years	869,707	929,294
2 to 3 years	895,798	943,233
3 to 4 years	922,672	957,382
4 to 5 years	950,352	971,742
> 5 years	1,987,091	1,987,432
	6,469,995	6,704,643

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the City is a lessor is recognised in income on a straightline basis over the lease term.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the City is exposed to changes in the residual value at the end of the current leases, the City group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to note 11 for details of leased property, plant and equipment not classified as investment property

**MATERIAL ACCOUNTING POLICIES**

**Investment properties**

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

**Revaluation**

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

**Fair value of investment properties**

An independent valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

**CITY OF FREMANTLE  
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**13. TRADE AND OTHER PAYABLES**

	2025	2024
	\$	\$
<b>Current</b>		
Sundry creditors	362,376	2,143,917
Accrued interest on debentures	61,472	72,891
Accrued payroll liabilities	1,278,876	1,109,895
Accrued Expenses	3,415,422	2,402,166
Receipts in advance	242,144	246,392
Prepaid rates	590,589	666,064
Bonds and deposits held	1,030,806	890,310
	<b>6,981,685</b>	<b>7,531,635</b>

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the City becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**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 usually 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 income for the prepaid rates that have not been refunded.

**CITY OF FREMANTLE  
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**14. OTHER LIABILITIES**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Contract liabilities	675,782	466,765
Capital grant/contributions liabilities	4,068,512	519,211
	<u>4,744,294</u>	<u>985,976</u>
<b>Non-current</b>		
Capital grant/contributions liabilities	724,421	4,087,974
	<u>724,421</u>	<u>4,087,974</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	466,765	549,539
Additions	555,661	432,523
Revenue from contracts with customers included as a contract liability at the start of the period	<u>(346,644)</u>	<u>(515,297)</u>
	675,782	466,765
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$5,139,165 (2024: \$5,073,950)</p> <p>The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	4,607,185	4,702,058
Additions	760,974	297,954
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(575,226)</u>	<u>(392,827)</u>
	4,792,933	4,607,185
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	4,068,512	519,211
	<u>4,068,512</u>	<u>519,211</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**MATERIAL ACCOUNTING POLICIES**

**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.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**CITY OF FREMANTLE  
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**15. BORROWINGS**

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		1,294,458	15,226,927	16,521,385	1,597,780	16,541,472	18,139,252
Loans- Associates Funded		373,935	0	373,935	394,730	0	394,730
<b>Total secured borrowings</b>	29(a)	<b>1,668,393</b>	<b>15,226,927</b>	<b>16,895,320</b>	<b>1,992,510</b>	<b>16,541,472</b>	<b>18,533,982</b>

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Fremantle. Other loans relate to transferred receivables. Refer to Note 5.

The City of Fremantle has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29.

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**16. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2025	2024
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	3,126,092	2,863,162
Long service leave	3,395,590	3,237,895
	<u>6,521,682</u>	<u>6,101,057</u>
<b>Total current employee related provisions</b>	6,521,682	6,101,057
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	1,742,930	1,452,671
	<u>1,742,930</u>	<u>1,452,671</u>
<b>Total employee related provisions</b>	<u>8,264,612</u>	<u>7,553,728</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2025	2024
	\$	\$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	6,521,682	6,101,057
More than 12 months from reporting date	1,742,930	1,452,671
	<u>8,264,612</u>	<u>7,553,728</u>

	2025	2024
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	245,513	221,136

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**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  
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**17. REVALUATION SURPLUS**

	<b>2025 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2025 Closing Balance</b>	<b>2024 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2024 Closing Balance</b>
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	109,119,537	0	109,119,537	90,071,084	19,048,453	109,119,537
Revaluation surplus - Buildings - non-specialised	142,482,025	0	142,482,025	146,823,948	(4,341,923)	142,482,025
Revaluation surplus - Infrastructure - Roads	140,166,823	0	140,166,823	140,166,823	0	140,166,823
Revaluation surplus - Infrastructure - Paths	25,794,829	0	25,794,829	25,794,829	0	25,794,829
Revaluation surplus - Infrastructure - Drainage	41,666,856	0	41,666,856	41,666,856	0	41,666,856
Revaluation surplus - Infrastructure - Parks	55,179,846	0	55,179,846	55,179,846	0	55,179,846
Revaluation surplus - Infrastructure - Other	7,959,535	0	7,959,535	7,959,535	0	7,959,535
	<b>522,369,451</b>	<b>0</b>	<b>522,369,451</b>	<b>507,662,921</b>	<b>14,706,530</b>	<b>522,369,451</b>

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

**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	6,820,625	10,539,663
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	5,775,099	1,876,286
- Financial assets at amortised cost	4	19,583,819	16,992,238
		25,358,918	18,868,524
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	19,583,818	16,992,238
Contract liabilities	14	675,782	466,765
Capital grant liabilities	14	4,068,512	519,211
Bonds and Deposits Held		1,030,806	890,310
<b>Total restricted financial assets</b>		25,358,918	18,868,524

**(b) Reconciliation of Net Result to Net Cash Provided  
By Operating Activities**

Net result		(6,436,413)	2,280,757
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		8,878	(4,203)
Adjustments to fair value of investment property		(1,114,988)	(8,955,675)
Adjustments to fair value of assets held for sale		0	303,299
Adjustment of ROU assets		0	(2,020)
Depreciation/amortisation		21,630,698	21,988,037
(Profit)/loss on sale of asset		6,567	87,013
Share of profits of associates		0	(46,587)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		362,390	(890,210)
(Increase)/decrease in other assets		(322,839)	(563,207)
(Increase)/decrease in inventories		(11,867)	(23,567)
Increase/(decrease) in trade and other payables		(549,950)	90,144
Increase/(decrease) in employee related provisions		710,884	500,360
Increase/(decrease) in other liabilities		394,765	(177,647)
Capital grants, subsidies and contributions		(2,653,879)	(1,412,971)
Net cash provided by/(used in) operating activities		11,879,246	13,173,523

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Credit card limit		450,000	450,000
Credit card balance at balance date		0	69,911
<b>Total amount of credit unused</b>		450,000	519,911

**Loan facilities**

Loan facilities - current		1,668,393	1,992,510
Loan facilities - non-current		15,226,927	16,541,472
<b>Total facilities in use at balance date</b>		16,895,320	18,533,982

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**19. CONTINGENT LIABILITIES**

In compliance with the *Contaminated Sites Act 2003*, the City has identified possible sites of contamination.

Until the City conducts an investigation to determine the presence and scope of contamination, assesses the risk and agrees with the Department of Water and Environmental Regulation on the need and criteria for remediation, the City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environment Regulation guidelines.

**20. CAPITAL COMMITMENTS**

	<b>2025</b>	<b>2024</b>
	\$	\$
Contracted for:		
- capital expenditure projects	5,691,216	3,051,491
	5,691,216	3,051,491
Payable:		
- not later than one year	5,438,092	3,051,491

The capital expenditure projects outstanding at the end of the current reporting period mainly represents:

<b>Project Description</b>	<b>\$</b>
(i) Program - Plant, Equipment & Vehicles	1,351,995
(ii) 38-40 Henry St - Façade Upgrades	837,896
(iii) Program - Black Spot - Stevens & Amherst St Roundabout Const	335,798
(iv) Fitout - WCC - Level 1,2&3 AC infrastructure	251,708
(v) Bathers Beach - beach enclosure	285,053
(vi) Market St / Collie St - New Public Toilet	266,133

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2025 Actual	2025 Budget	2024 Actual
Note	\$	\$	\$
Mayor's annual allowance	100,838	108,283	93,380
Mayor's meeting attendance fees	53,383	57,324	49,435
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	3,261	4,000	1,758
	160,982	173,107	148,073
Deputy Mayor's annual allowance	25,210	27,071	22,780
Deputy Mayor's meeting attendance fees	35,592	38,220	32,074
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,406
Deputy Mayor's travel and accommodation expenses	0	0	250
	64,302	68,791	58,510
All other council member's meeting attendance fees	320,328	343,980	316,666
All other council member's other approved expenses	1,150	5,000	376
All other council member's annual allowance for ICT expenses	31,500	31,500	33,627
All other council member's travel and accommodation expenses	204	1,000	221
	353,182	381,480	350,889
21(b)	578,466	623,378	557,473

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the City during the year are as follows:

	2,025 Actual	2024 Actual
Note	\$	\$
Short-term employee benefits	1,311,368	1,224,866
Post-employment benefits	135,946	128,932
Employee - other long-term benefits	47,589	39,970
Employee - termination benefits	0	108,616
Council member costs	578,466	557,473
21(a)	2,073,369	2,059,858

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

These amounts are the current-year's cost of the City's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

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

**21. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

Transactions between related parties and the City are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	<b>2025 Actual</b>	<b>2024 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	0	51,931

**Related Parties**

**The City's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

*ii. Other Related Parties*

An associate person of KMP was employed by the City under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

Outside of normal citizen type transactions with the City, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

*iii. Entities subject to significant influence by the City*

There were no such entities requiring disclosure during the current or previous year.

**CITY OF FREMANTLE  
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**22. INVESTMENT IN ASSOCIATES**

**Investment in associates**

Set out in the table below are the associates of the City. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2025	2024
	2025	2024	Actual	Actual
			\$	\$
Southern Metropolitan Regional Council (SMRC) [known now as Resource Recovery Group (RRG)]	21.07%	20.99%	2,393,377	2,393,377
SMRC Existing Undertakings Proportional Equity Share:	21.07%	20.99%		
Office Accommodation Project Proportional Equity Share:	21.42%	21.29%		
RRRC Project Proportional Equity Share:	20.85%	20.86%	0	0
<b>Total equity-accounted investments</b>			<b>2,393,377</b>	<b>2,393,377</b>

The SMRC is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, East Fremantle, Fremantle, Kwinana, Melville, and Rockingham.

The SMRC is responsible for developing environmentally sustainable waste management solutions for the communities of the Participants.

The member local governments have jointly agreed to establish SMRC under an Establishment Agreement and each participant may participate in regional projects that are governed by a Participants' Project Agreement.

There are two core projects, being:

1. The Regional Resource Recovery Centre (RRRC) Project and;
2. The Office Accommodation Project.

Both the projects were established through separate project participants' agreements. The City of Kwinana are not participants in the RRRC project. In addition to the above two projects, the support activities of SMRC such as Administrative activities, Education and Marketing and Research and Development, are referred to as Existing Undertakings.

Over the period the following local governments have since withdrawn from the Regional Council: City of Canning in June 2010, City of Rockingham in June 2012 and City of Cockburn in June 2019.

**(a) Existing Undertakings**

The historical annual contributions made by Participants to the Existing Undertakings are used to determine the proportional contribution percentage of each Participant to the Existing Undertakings. The Council's share as on 30 June 2024:

SMRC Existing Undertakings Proportional Equity Share: **21.07%**

**(b) Regional Resource Recovery Centre (RRRC) Project**

RRRC Project Participants shall make an annual contribution towards the acquisition of any asset of a capital nature required by the Project, plus pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs.

The annual contribution shall be an amount which bears the same proportion to the cost of the acquisition disclosed in the Project Budget for the financial year as the Population of the Project Participant bears to the total of the Populations of all Project Participants.

The capital costs for each participating Local Government member is based on the Australian Bureau of Statistics population statistics. Each project participant will develop equity in the project equal to the relevant proportion of the total capital loan repayments made by that project participant.

The Council's share as on 30 June 2024:  
RRRC Project Proportional Equity Share: **20.85%**

**RRRC - Lending Facility**

The capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). The lending facility was fully repaid on the 30 June 2023.

The SMRC administer the borrowings with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The Council guaranteed by way of agreement to its share of the loan liability to the SMRC and the WATC. The Council's estimated share of the project funding is based on population percentages as derived from the Australian Bureau of Statistics census. These are revised yearly over the life of the lending facility.

As at 30 June 2024, the balance outstanding against the lending facility stood at:  
with the Council's share of this liability being:

using the current cost/profit sharing percentage of: **12.12%**

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**22. INVESTMENT IN ASSOCIATES (Continued)**

(c) Office Accommodation Project

The Office Project pertains to SMRC's office located at 9 Aldous Place, Booragoon, Western Australia. The Council's equity share of the project is based on their proportional populations.

The Council's share as on 30 June 2024:

Office Accommodation Project Proportional Equity Share: **21.42%**

Office Accommodation - Lending Facility

As a SMRC participant, Council has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30 June 2024, the balance outstanding against the lending facility stood at: **1,708,024**  
with the Council's share of this liability being: **386,184**  
using the current cost/profit sharing percentage of: **22.61%**

**Resource Reovery Group (RRG)**

Note	2025	2024
	Actual (Unaudited)	Actual (Audited)
	\$	\$
Current Assets	13,436,740	13,436,740
Non-Current Assets	16,532,226	16,532,226
Current Liabilities	(6,918,829)	(6,918,829)
Non-Current Liabilities	(11,633,177)	(11,633,177)
<b>Net Assets (100%)</b>	<b>11,416,960.0</b>	<b>11,416,960</b>
Revenue	19,676,410	19,676,410
Depreciation on Non-Current Assets	(3,693,580)	(3,693,580)
Finance costs	(293,991)	(293,991)
Net Result for the period	(2,745,854)	(2,745,854)
<b>Total comprehensive income (100%)</b>	<b>(2,745,854)</b>	<b>(2,745,854)</b>
<b>City of Fremantle Share in Investment in Resource Reovery Group (RRG)</b>		
Cash and cash equivalents	776,028	776,028
Other current assets	2,030,735	2,030,735
Total current assets	2,806,763	2,806,763
Non-current assets	3,485,357	3,485,357
Total assets	6,292,120	6,292,120
Current financial liabilities		
Other current liabilities	1,444,757	1,444,757
Total current liabilities	1,444,757	1,444,757
Non-current financial liabilities		
Other non-current liabilities	2,453,986	2,453,986
Total non-current liabilities	2,453,986	2,453,986
Total liabilities	3,898,743	3,898,743
<b>Net assets</b>	<b>2,393,377</b>	<b>2,393,377</b>
<b>Reconciliation to carrying amounts</b>		
Opening net assets 1 July	2,393,377	2,346,790
Profit/(Loss) for the period	0	46,587
Closing net asset 1 July	2,393,377	2,393,377
<b>Carrying amount at 1 July</b>	<b>2,393,377</b>	<b>2,346,790</b>
- Share of associates net profit/(loss) for the period	0	46,587
<b>Carrying amount at 30 June (Refer to Note 22)</b>	<b>2,393,377</b>	<b>2,393,377</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Investments in associates**

An associate is an entity over which the City has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

**CITY OF FREMANTLE  
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**23. FINANCIAL RISK MANAGEMENT**

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2025</b>					
Cash and cash equivalents	0.70%	6,820,625	0	6,820,625	0
Financial assets at amortised cost - term deposits	4.12%	37,109,866	37,109,866	0	0
<b>2024</b>					
Cash and cash equivalents	0.81%	10,539,663	5,170,127	5,369,536	0
Financial assets at amortised cost - term deposits	3.91%	32,500,033	32,500,033	0	0

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	68,206	53,695

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

***Trade and Other Receivables***

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2025</b>					
Trade receivables					
Expected credit loss	1.02%	5.10%	9.23%	58.62%	
Gross carrying amount	405,084	83,238	52,051	130,315	670,688
Loss allowance	4,120	4,243	4,805	76,394	89,562
<b>30 June 2024</b>					
Trade receivables					
Expected credit loss	0.00%	0.00%	1.50%	45.00%	
Gross carrying amount	407,620	181,730	85,739	453,543	1,128,632
Loss allowance	0	0	1,286	204,094	205,380

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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables		Contract Assets	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 205,380	\$ 160,938	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	20,859	44,442	0	0	0	0
Receivables written off during the year as uncollectible	(136,677)	0	0	0	0	0
<b>Closing loss allowance at 30 June</b>	<b>89,562</b>	<b>205,380</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**CITY OF FREMANTLE  
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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>2025</u></b>					
Trade and other payables	6,981,685	0	0	6,981,685	6,981,685
Borrowings	1,668,392	5,258,317	9,968,609	16,895,318	16,895,320
Lease liabilities	266,529	734,282	55,885	1,056,696	1,056,694
	<u>8,916,606</u>	<u>5,992,599</u>	<u>10,024,494</u>	<u>24,933,699</u>	<u>24,933,699</u>
<b><u>2024</u></b>					
Trade and other payables	7,531,635	0	0	7,531,635	7,531,635
Borrowings	1,992,510	4,478,792	12,062,680	18,533,982	18,533,982
Lease liabilities	612,230	533,890	81,684	1,227,804	1,172,058
	<u>10,136,375</u>	<u>5,012,682</u>	<u>12,144,364</u>	<u>27,293,421</u>	<u>27,237,675</u>

**CITY OF FREMANTLE  
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FOR THE YEAR ENDED 30 JUNE 2025**

**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There have been no material events after the reporting period which would affect the financial report of the City for the year ended 30 June 2025.

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**CITY OF FREMANTLE  
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**25. OTHER MATERIAL ACCOUNTING POLICIES**

**a) 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.

**b) 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.

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

**e) Budget comparative figures**

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

**f) 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.

**g) Fair value of assets and liabilities**

Fair value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**h) Interest revenue**

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**i) Fair value hierarchy**

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**j) Impairment of assets**

In accordance with Australian Accounting Standards the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**CITY OF FREMANTLE  
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**26. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To provide a decision making process for the efficient allocation of resources.</p>	Includes the activities of members of the Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.
<p><b>General purpose funding</b> To collect revenue to allow the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>Law, order, public safety</b> To provide services to ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>Health</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Inspection of food outlets and their control, provision of noise control and waste disposal compliance.
<p><b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Elderly person's activities and support, community services planning, disabled persons services, youth services, indigenous issues, meals on wheels centre, pre-schools and other welfare and voluntary persons.
<p><b>Housing</b> To provide and maintain elderly residence housing.</p>	Provision and maintenance of elderly residence housing.
<p><b>Community amenities</b> To provide services required by the community.</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<p><b>Recreation and culture</b> To establish and effectively manage infrastructure and resources which will help the social well-being of the community.</p>	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.
<p><b>Transport</b> To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, drainage, single and dual use paths, bridges and traffic signs. Maintenance of road verges, strategic planning for transport and traffic flows, street lighting and street cleaning, parking control and parking operations.
<p><b>Economic services</b> To help promote the city and its economic well-being.</p>	Tourism and area promotion, operation of the Visitor Centre, sister cities expenses, City marketing and economic development, implementation of building control.
<p><b>Other property and services</b> To monitor and control council's overhead operating accounts.</p>	Private works operation, plant repair, public works overheads, land acquisition and disposal.

**CITY OF FREMANTLE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**26. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2025 Actual</b>	<b>2024 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	294,545	281,492
General purpose funding	66,650,018	63,015,338
Law, order, public safety	2,663,858	2,641,185
Health	695,460	625,095
Education and welfare	346,581	330,140
Community amenities	3,690,363	3,261,660
Recreation and culture	9,344,352	8,036,837
Transport	11,453,274	11,452,879
Economic services	915,119	1,196,065
Other property and services	2,502,549	10,278,298
	<b>98,556,119</b>	<b>101,118,989</b>
<b>Grants, subsidies and contributions</b>		
Governance	106,586	18
General purpose funding	939,732	1,269,976
Health	18,923	71,596
Education and welfare	1,235,698	1,160,486
Community amenities	28,382	75,611
Recreation and culture	2,150,958	2,311,789
Transport	1,933,158	569,224
Economic services	182,398	247,833
Other property and services	44,619	70,734
	<b>6,640,454</b>	<b>5,777,267</b>
<b>Total Income</b>	<b>105,196,573</b>	<b>106,896,256</b>
<b>Expenses</b>		
Governance	(10,645,249)	(10,891,729)
General purpose funding	(1,036,051)	(885,641)
Law, order, public safety	(5,275,934)	(4,748,301)
Health	(858,691)	(694,282)
Education and welfare	(3,665,481)	(3,464,728)
Housing	(245)	(743,046)
Community amenities	(15,579,939)	(13,820,398)
Recreation and culture	(40,277,206)	(36,335,973)
Transport	(24,262,344)	(22,745,191)
Economic services	(3,099,401)	(3,236,053)
Other property and services	(6,932,445)	(7,050,157)
<b>Total expenses</b>	<b>(111,632,986)</b>	<b>(104,615,499)</b>
<b>Net result for the period</b>	<b>(6,436,413)</b>	<b>2,280,757</b>
<b>(c) Total Assets</b>		
Governance	118,452,511	116,557,778
General purpose funding	47,024,712	46,116,253
Law, order, public safety	1,628,926	1,828,263
Health	8,690	9,935
Education and welfare	8,716,094	8,021,049
Community amenities	3,942,667	3,652,073
Recreation and culture	185,437,845	190,180,677
Transport	266,084,302	270,106,087
Economic services	1,386,742	115,425
Other property and services	108,037,975	111,767,665
	<b>740,720,464</b>	<b>748,355,205</b>

**CITY OF FREMANTLE  
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**27. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b> <b>Rate Description</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2024/25 Actual Rateable Value*</b>	<b>2024/25 Actual Rate Revenue</b>	<b>2024/25 Actual Interim Rates</b>	<b>2024/25 Actual Total Revenue</b>	<b>2024/25 Budget Rate Revenue</b>	<b>2024/25 Budget Interim Rates</b>	<b>2024/25 Budget Total Revenue</b>	<b>2023/24 Actual Total Revenue</b>
Residential Improved	Gross rental valuation	0.083489	9719	306,819,754	25,570,372	224,608	25,794,980	25,591,069	400,000	25,991,069	24,194,946
Commercial & Industrial General	Gross rental valuation	0.113216	1439	151,925,363	17,200,375	(72,898)	17,127,477	17,209,260	0	17,209,260	16,353,383
City Centre Commercial	Gross rental valuation	0.113216	358	87,431,323	9,898,623	(4,942)	9,893,681	9,898,625	0	9,898,625	9,404,888
Residential Short Term Accommodation	Gross rental valuation	0.113176	210	5,249,960	594,169	(42,822)	551,347	597,995	0	597,995	535,651
Vacant Residential Land	Gross rental valuation	0.144207	155	4,504,920	649,640	(26,462)	623,178	644,882	0	644,882	614,419
Vacant Commercial & Industrial	Gross rental valuation	0.166978	38	3,032,025	506,281	717	506,998	506,281	0	506,281	427,447
<b>Total general rates</b>			11,919	558,963,345	54,419,460	78,201	54,497,661	54,448,112	400,000	54,848,112	51,530,734
<b>Minimum Payment</b>											
<b>Minimum payment</b>											
Residential Improved	Gross rental valuation	1,738	4,414	78,637,344	7,671,532	0	7,671,532	7,666,318	0	7,666,318	7,306,719
Commercial & Industrial General	Gross rental valuation	1,738	353	4,088,752	613,514	0	613,514	613,514	0	613,514	572,203
City Centre Commercial	Gross rental valuation	1,738	67	734,456	116,446	0	116,446	116,446	0	116,446	110,483
Residential Short Term Accommodation	Gross rental valuation	1,738	33	478,140	57,354	0	57,354	59,092	0	59,092	52,768
Vacant Residential Land	Gross rental valuation	1,685	100	909,625	168,500	0	168,500	156,705	0	156,705	161,499
Vacant Commercial & Industrial	Gross rental valuation	1,738	12	85,450	20,856	0	20,856	20,856	0	20,856	19,788
<b>Total minimum payments</b>			4,979	84,933,767	8,648,202	0	8,648,202	8,632,931	0	8,632,931	8,223,460
<b>GenExmPart - Residential Improved</b>											
<b>Total general rates and minimum payments</b>			16,898	643,897,112	63,067,662	78,201	63,145,863	63,081,043	400,000	63,481,043	59,754,194
<b>Specified Area Rates</b>											
CBD Security Levy		0.001456	1,072	102,854,838	149,868		149,868	149,725	0	149,725	141,899
Leighton Maintenance		0.006299	336	13,503,777	85,059		85,059	85,059	0	85,059	80,697
<b>Total amount raised from rates (excluding general rates)</b>					234,927		234,927	234,784	0	234,784	222,596
Discounts											
Concessions							(206,207)			(194,266)	(142,750)
<b>Total Rates</b>							63,174,583			63,521,561	59,834,040
Rates instalment interest							429,601			300,000	358,577
Rates instalment plan charges							130,241			122,660	126,946
Rates overdue interest							155,628			102,500	153,326

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities.

\*Rateable Value at time of raising of rate.

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**28. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2024/25	2024/25	2024/25	2023/24
	(30 June 2025 Carried Forward)	Budget (30 June 2025 Carried Forward)	(1 July 2024 Brought Forward)	(30 June 2024 Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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 <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	(109,042)	0	(21,941)	(21,941)
Less: Fair value adjustments to financial assets at fair value through profit or loss	8,878	0	(4,203)	(4,203)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	0	0	(46,587)	(46,587)
Add: Loss on disposal of assets	115,609	0	108,954	108,954
Add: Depreciation	21,630,698	22,295,343	21,988,037	21,988,037
Non-cash movements in non-current assets and liabilities:				
Investment property	12 (1,114,988)	0	(8,955,675)	(8,955,675)
Pensioner deferred rates	(52,132)	75,000	51,060	51,060
Movement from PPE to operating	0	0	52,674	52,674
Assets held for sale	7 0	0	303,299	303,299
Employee benefit provisions	258,274	0	181,478	181,478
Other provisions	0	0	(29,494)	(29,494)
ROU Asset Adjustment	0	0	(2,020)	(2,020)
<b>Non-cash amounts excluded from operating activities</b>	<b>20,737,297</b>	<b>22,370,343</b>	<b>13,625,582</b>	<b>13,625,582</b>
<b>(b) Non-cash amounts excluded from investing activities</b>				
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 <i>Financial Management Regulation 32</i> .				
<b>Adjustments to investing activities</b>				
Movement in non-current capital grant/contribution liability	163,552	0	0	0
Non cash Capital grants, subsidies and contributions	(145,000)	0	0	0
<b>Non-cash amounts excluded from investing activities</b>	<b>18,552</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(c) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	30 (19,583,819)	(15,920,688)	(16,992,238.00)	(16,992,238.00)
Less: Current assets not expected to be received at end of year				
- Contract liabilities - Non current	(724,421)	0	(4,087,974)	(4,087,974)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15 1,668,393	1,335,027	1,992,510	1,992,510
- Current portion of lease liabilities	11(b) 266,528	620,000	577,625	577,625
<b>Total adjustments to net current assets</b>	<b>(18,373,319)</b>	<b>(13,965,661)</b>	<b>(18,510,077)</b>	<b>(18,510,077)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets	48,049,087	35,796,714	47,270,092	47,270,092
Less: Total current liabilities	(20,182,582)	(21,767,858)	(17,188,803)	(17,188,803)
Less: Total adjustments to net current assets	(18,373,319)	(13,965,661)	(18,510,077)	(18,510,077)
<b>Surplus or deficit after imposition of general rates</b>	<b>9,493,186</b>	<b>63,195</b>	<b>11,571,212</b>	<b>11,571,212</b>

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

**29. BORROWING AND LEASE LIABILITIES**

(a) Borrowings

Purpose	Note	Actual					Budget		
		Principal at 1 July 2023	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal Repayments During 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	Principal Repayments During 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Particulars</b>									
Governance									
307 Walyalup Civic Centre and Library		17,473,964	(875,393)	16,598,571	(892,634)	15,705,937	16,598,571	(892,633)	15,705,938
Recreation and culture									
298 Leighton Beach Kiosk & Changerooms		364,218	(158,415)	205,803	(163,934)	41,869	205,803	(163,935)	41,868
301 Leighton Beach Kiosk		131,281	(38,978)	92,303	(40,220)	52,083	92,303	(40,220)	52,083
303 Fremantle Boys School		304,127	(72,813)	231,314	(74,918)	156,396	231,314	(74,918)	156,396
308 Arthur Head - Wall stabilisation		406,359	(47,968)	358,391	(48,751)	309,640	358,391	(48,750)	309,641
Transport									
236 Streets Ahead Programme (3)		2	(2)	0	0	0	0	0	0
284 Road Asset Program		19,622	(19,622)	0	0	0	0	0	0
289 Road Asset Program		260,809	(207,608)	53,201	(53,201)	0	53,201	(53,203)	(2)
290 Footpath Asset Program		52,609	(41,875)	10,734	(10,734)	0	10,734	(10,731)	3
291 Drainage Asset Program		44,456	(35,388)	9,068	(9,068)	0	9,068	(9,069)	(1)
295 Road Asset Program		230,516	(100,263)	130,253	(103,754)	26,499	130,253	(103,757)	26,496
296 Footpath Asset Program		66,089	(28,745)	37,344	(29,747)	7,597	37,344	(29,747)	7,597
297 Drainage Asset Program		76,840	(33,421)	43,419	(34,586)	8,833	43,419	(34,586)	8,833
300 Road Asset Program		304,761	(90,484)	214,277	(93,370)	120,907	214,277	(93,369)	120,908
294B Acquisition 73 Hampton Road		49,729	(39,583)	10,146	(10,146)	0	10,146	(10,146)	0
305 Heavy Vehicles		217,233	(52,009)	165,224	(53,513)	111,711	165,224	(53,513)	111,711
Economic services									
Share of SMRC* Loans		394,730	(20,796)	373,934	(20,088)	353,846	374,247	(20,483)	353,764
<b>Total</b>		<b>20,397,345</b>	<b>(1,863,363)</b>	<b>18,533,982</b>	<b>(1,638,664)</b>	<b>16,895,318</b>	<b>18,534,295</b>	<b>(1,639,060)</b>	<b>16,895,235</b>

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

**29. BORROWING AND LEASE LIABILITIES (Continued)**  
Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
						\$	\$	\$
<b>Particulars</b>								
<b>Governance</b>								
307 Walyalup Civic Centre and Library		307	WATC	1.96	19/06/2040	(320,946)	(320,947)	(338,186)
<b>Recreation and culture</b>								
298 Leighton Beach Kiosk & Changerooms		298	WATC	3.00	1/07/2025	(3,570)	(3,570)	(9,138)
301 Leighton Beach Kiosk		301	WATC	3.15	1/07/2026	(2,119)	(2,119)	(3,371)
303 Fremantle Boys School		303	WATC	2.86	28/06/2027	(5,420)	(5,817)	(7,922)
308 Arthur Head - Wall stabilisation		308	WATC	1.5	1/04/2031	(5,619)	(5,619)	(6,401)
<b>Transport</b>								
284 Road Asset Program		284	WATC	4.01	1/07/2023	0	0	0
289 Road Asset Program		289	WATC	3.99	1/07/2024	0	0	(5,255)
290 Footpath Asset Program		290	WATC	3.99	1/07/2024	0	0	(1,060)
291 Drainage Asset Program		291	WATC	3.99	1/07/2024	0	0	(896)
295 Road Asset Program		295	WATC	3.00	1/07/2025	(2,260)	(2,260)	(5,783)
296 Footpath Asset Program		296	WATC	3.00	1/07/2025	(648)	(648)	(1,658)
297 Drainage Asset Program		297	WATC	3.00	1/07/2025	(753)	(753)	(1,928)
300 Road Asset Program		300	WATC	3.15	1/07/2026	(4,919)	(4,919)	(7,826)
294B Acquisition 73 Hampton Road		294	WATC	4.03	1/07/2024	0	0	(1,012)
305 Heavy Vehicles		305	WATC	2.86	28/06/2027	(4,552)	(4,155)	(5,658)
<b>Economic services</b>								
Share of SMRC* Loans		Sha	SMRC	4.12**	30/06/2028	(16,696)	(16,199)	(17,872)
<b>Total</b>						<b>(367,502)</b>	<b>(367,006)</b>	<b>(413,966)</b>

\* WA Treasury Corporation

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

**29. BORROWING AND LEASE LIABILITIES (Continued)**

**(b) Lease Liabilities**

Purpose	Note	Actual							Budget		
		Principal at 1 July 2023	Leases Movement During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Leases Movement During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	Principal Repayments During 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>											
Lease - 02 CRT & MIS		55,095	0	(24,033)	31,062	0	(25,714)	5,348	32,638	(24,757)	7,881
Lease - 05 MS Surface		664,492	(664,492)	0	0	0	0	0	0	0	0
Lease - 13 IT Server		676,463	0	(324,087)	352,376	0	(280,984)	71,392	982,648	(303,483)	679,165
Lease - 15 IT Equipment		36,418	0	(14,131)	22,287	0	(14,709)	7,578	22,287	(14,709)	7,578
Lease - 16 Computer Equipment		187,736	0	(105,666)	82,070	0	(82,070)	0	82,070	(82,070)	0
<b>Recreation and culture</b>											
Lease - 06 Pool Cleaner		8,237	14,431	(9,408)	13,260	0	(7,144)	6,116	0	0	0
Lease - 07 Gym Equipment		8,812	0	(6,385)	2,427	477,613	(19,007)	461,033	0	0	0
Lease - 08 Restaurant - Salt		70,247	0	(34,603)	35,644	0	(35,644)	0	35,646	(35,646)	0
Lease - 12 Car Park 19		673,828	0	(91,506)	582,322	0	(94,301)	488,021	582,321	(94,301)	488,020
Lease - 14 RFID - Library		173,788	(91,091)	(32,087)	50,610		(33,401)	17,209	106,355	(70,195)	36,160
<b>Total Lease Liabilities</b>	11(b)	<b>2,555,116</b>	<b>(741,152)</b>	<b>(641,906)</b>	<b>1,172,058</b>	<b>477,613</b>	<b>(592,974)</b>	<b>1,056,697</b>	<b>1,843,965</b>	<b>(625,161)</b>	<b>1,218,804</b>

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

**29. BORROWING AND LEASE LIABILITIES (Continued)**

(b) Lease Liabilities

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending 30 June	Lease Term	Interest Rate
					30 June 2025	30 June 2025	2024		
					\$	\$	\$		
<b>Governance</b>									
Lease - 02 CRT & MIS		02	C D SA (WA) Pty Ltd	1/10/2025	(548)	(587)	(1,311)	60 months	3.00%
Lease - 13 IT Server		13	Vestone Capital Pty Ltd	1/04/2025	(8,810)	(8,811)	(22,326)	60 months	4.66%
Lease - 15 IT Equipment		15	Vestone Capital Pty Ltd	1/01/2026	(574)	(1,684)	(1,153)	59 months	4.08%
Lease - 16 Computer Equipment		16	Vestone Capital Pty Ltd	2/01/2026	(1,109)	0	(5,242)	60 months	4.08%
<b>Recreation and culture</b>									
Lease - 06 Pool Cleaner		06	John Shenton Pumps	30/04/2024	(297)	0	(182)	24 months	3.00%
Lease - 07 Gym Equipment		07	Capital Finance	24/06/2024	(2,280)	0	(120)	48 months	3.00%
Lease - 08 Restaurant - Salt		08	Department of Planning, Lands and Heritage	30/06/2025	(356)	(856)	(1,397)	120 months	3.00%
Lease - 12 Car Park 19		12	Burgess Rawson	31/03/2030	(15,699)	(15,699)	(18,493)	120 months	3.00%
Lease - 14 RFID - Library		14	Macquarie Bank -Vestone Capital Pty Ltd	31/12/2025	(1,409)	(3,034)	(2,722)	60 months	3.96%
<b>Total Finance Cost Payments</b>									
					(31,082)	(30,671)	(52,946)		

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

30. RESERVE ACCOUNTS	2025	2025	2025	2025	2025	2025	2025	2025	2024	2024	2024	2024
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Cash-in-lieu of public open space reserve	621,404	257,550	0	878,954	624,404	0	(10,000)	614,404	621,404	0	0	621,404
(b) Specified area rate reserve - Leighton Precinct Maintenance Reserve	253,540	85,059	(41,728)	296,871	256,615	85,059	(56,650)	285,024	221,673	80,697	(48,830)	253,540
(c) Service charge reserve - White Gum Valley Precinct Community Bore Reserve	36,682	8,804	(10,150)	35,336	5,568	8,804	(8,804)	5,568	31,114	8,804	(3,236)	36,682
	911,626	351,413	(51,878)	1,211,161	886,587	93,863	(75,454)	904,996	874,191	89,501	(52,066)	911,626
<b>Restricted by council</b>												
(d) Cantonment Hill Master Plan Reserve	117,868	0	0	117,868	117,868	0	0	117,868	117,868	0	0	117,868
(e) Community Care Programs Reserve (Previously HACC)	6,386	0	0	6,386	6,386	0	0	6,386	6,386	0	0	6,386
(f) Fleet Reserve	73,610	0	(73,610)	0	(426,390)	0	(130,000)	(556,390)	500,000	0	(426,390)	73,610
(g) Fremantle Markets Conservation Reserve	70,132	0	0	70,132	0	0	0	0	70,132	0	0	70,132
(h) Fremantle Oval Reserve	500,000	315,000	(54,292)	760,708	511,880	0	0	511,880	30,350	500,000	(30,350)	500,000
(i) Hilton Park Sports Reserve	2,291,249	1,250,000	0	3,541,249	291,249	250,000	(291,889)	249,360	2,000,000	500,000	(208,751)	2,291,249
(j) Investment Fund Reserve	3,524,791	1,500,000	(88,003)	4,936,788	2,743,445	4,350,000	(183,866)	6,909,579	768,017	2,981,860	(225,086)	3,524,791
(k) Leisure Centre Upgrade Reserve	533,599	0	(26,807)	506,792	0	0	0	0	33,599	500,000	0	533,599
(l) Parking Dividend Equalisation Reserve	5,527,217	811,830	(146,394)	6,192,653	0	0	0	0	5,486,080	73,433	(32,296)	5,527,217
(m) Parks Recreation and Facilities Reserve Sustainability Investment Reserve	97,771	0	0	97,771	0	0	0	0	97,771	0	0	97,771
(n) (Previously Renewable Energy Investment Reserve)	207,870	0	(7,560)	200,310	207,870	0	0	207,870	59,510	149,160	(800)	207,870
(o) South Beach Reserve	3,130,119	0	(3,130,119)	0	2,630,119	0	(3,130,119)	(500,000)	500,000	2,650,000	(19,881)	3,130,119
(p) Projects Unexpended Muni Reserve		1,942,000	0	1,942,000	0	0	0	0	0	0	0	0
	16,080,612	5,818,830	(3,526,785)	18,372,657	6,082,427	4,600,000	(3,735,874)	6,946,553	9,669,713	7,354,453	(943,554)	16,080,612
	16,992,238	6,170,243	(3,578,663)	19,583,818	6,969,014	4,693,863	(3,811,328)	7,851,549	10,543,904	7,443,954	(995,620)	16,992,238

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

**30. RESERVE ACCOUNTS (Continued)**

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

<b>Name of reserve account Restricted by legislation/agreement</b>	<b>Purpose of the reserve account</b>
(a) Cash-in-lieu of public open space reserve	To hold any monies received as contribution for cash in lieu of public open space.
(b) Specified area rate reserve - Leighton Precinct Maintenance Reserve	To hold any specified area rate income raised during the financial year that were unspent at 30 June in relation to Leighton Precinct maintenance. To fund the above normal costs associated with maintaining the higher standard of the landscaping of the Leighton residential area.
(c) Service charge reserve - White Gum Valley Precinct Community Bore Reserve	To fund the associated costs required to maintain the community bore within the WGV development.
<b>Restricted by council</b>	
(d) Cantonment Hill Master Plan Reserve	To fund capital works at Cantonment Hill in accordance with the Cantonment Hill Master Plan.
(e) Community Care Programs Reserve (Previously HACC)	To fund Community Care Programs.
(f) Fleet Reserve	To replace City's vehicles fleet when required.
(g) Fremantle Markets Conservation Reserve	To fund conservation works to the Fremantle Markets.
(h) Fremantle Oval Reserve	To fund capital and business planning costs associated with the redevelopment of the Fremantle Oval precinct.
(i) Hilton Park Sports Reserve	To fund sporting, infrastructure and facility improvements in and around Hilton Park Sports Reserve.
(j) Investment Fund Reserve	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	To provide funds for major upgrading and refurbishment works at the Fremantle Leisure Centre.
(l) Parking Dividend Equalisation Reserve	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	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 (Previously Renewable Energy Investment Reserve)	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	To fund infrastructure and facilities improvement.
(p) Projects Unexpended Muni Reserve	To hold municipal funding for uncompleted or deferred projects, that will be completed and expended in ensuing financial years.

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

**31. TRUST FUNDS**

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

	<b>1 July 2024</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2025</b>
	\$	\$	\$	\$
<b>Cash In Lieu of Parking</b>	469,360	0	0	469,360
<b>Cash In Lieu of Public Open Space</b>				
37 Strang Street subdivision	85,673	0	0	85,673
<b>Bequests</b>				
Gwenth Ewens	28,728	1,868	(1,822)	28,774
John Francis Boyd	2,700	0	0	2,700
Victor Felstead	9,491	3,092	0	12,583
<b>Unclaimed Funds - Debtors</b>	4,441	0	0	4,441
<b>Miscellaneous</b>	124,004	0	(14,581)	109,423
<b>Trust Interest</b>	56,146	0	0	56,146
	<u>780,543</u>	<u>4,960</u>	<u>(16,403)</u>	<u>769,100</u>