



Budget Report 2026-27

CITY OF FREMANTLE
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2027
LOCAL GOVERNMENT ACT 1995

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The City of Fremantle a Class 1 local government conducts the operations of a local government with the following community vision:

Strong Reputation, Stronger future

**CITY OF FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027**

		2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
Revenue	Note	\$	\$	\$
Rates	2(a)	70,771,616	66,842,631	67,538,194
Grants, subsidies and contributions		8,057,104	4,758,365	8,791,568
Fees and charges	17	26,874,539	25,939,233	26,448,888
Service charges	2(f)	1,803,804	1,803,804	1,808,804
Interest revenue	10(a)	2,600,000	2,588,034	2,410,000
Other revenue		2,571,064	2,664,542	2,169,602
		112,678,127	104,596,609	109,167,056
Expenses				
Employee costs		(53,278,342)	(49,989,408)	(51,412,087)
Materials and contracts		(40,637,037)	(38,858,921)	(40,773,662)
Utility charges		(2,546,146)	(2,461,244)	(2,461,244)
Depreciation	6	(20,072,766)	(21,459,068)	(21,932,500)
Finance costs	10(c)	(370,711)	(409,713)	(387,016)
Insurance		(1,250,821)	(1,244,257)	(1,244,257)
Other expenditure		(1,465,277)	(1,652,033)	(1,332,640)
		(119,621,100)	(116,074,644)	(119,543,406)
		(6,942,973)	(11,478,035)	(10,376,350)
Capital grants, subsidies and contributions		9,868,292	4,915,355	9,650,034
Profit on asset disposals	5	45,000	64,377	64,377
Loss on asset disposals	5	(288,570)	(281,125)	(281,125)
Share of net profit of associates accounted for using the equity method	13	0	(889,406)	0
		9,624,722	3,809,201	9,433,286
Net result for the period		2,681,749	(7,668,834)	(943,064)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		2,681,749	(7,668,834)	(943,064)

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 2027**

		2026/27	2025/26	2025/26
	Note	Budget	Actual Estimate	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 70,846,616	\$ 66,728,985	\$ 67,538,194
Grants, subsidies and contributions		4,957,104	7,836,028	8,991,568
Fees and charges		26,874,539	25,939,233	26,448,888
Service charges		1,803,804	1,803,804	1,808,804
Interest revenue		2,600,000	2,588,034	2,410,000
Goods and services tax received		4,500,000	4,500,000	4,500,000
Other revenue		2,571,064	2,664,542	2,169,602
		114,153,127	112,060,626	113,867,056
Payments				
Employee costs		(52,778,342)	(49,489,408)	(51,212,087)
Materials and contracts		(40,237,037)	(38,158,543)	(40,373,662)
Utility charges		(2,546,146)	(2,461,244)	(2,461,244)
Finance costs		(370,711)	(300,667)	(387,016)
Insurance paid		(1,250,821)	(1,244,257)	(1,244,257)
Goods and services tax paid		(4,500,000)	(4,500,000)	(4,500,000)
Other expenditure		(1,465,277)	(1,652,033)	(1,332,640)
		(103,148,334)	(97,806,152)	(101,510,906)
Net cash provided by operating activities	4	11,004,793	14,254,474	12,356,150
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(6,215,896)	(9,827,583)	(9,345,193)
Payments for construction of infrastructure	5(b)	(16,367,826)	(10,171,882)	(18,240,900)
Payments for purchase of investment property	5(d)	0	(956,512)	(1,590,324)
Proceeds from capital grants, subsidies and contributions		9,611,862	1,732,273	5,650,034
Distributions from investments in associates		0	1,572,357	0
Proceeds from disposal of property, plant and equipment	5(a)	95,000	125,000	200,000
Proceeds on disposal of financial assets at amortised cost - term deposits		0	1,583,819	8,000,000
Proceeds on financial assets at amortised cost - term deposits		4,000,000	4,195,503	
Net cash (used in) investing activities		(8,876,860)	(11,747,025)	(15,326,383)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(1,149,596)	(1,668,392)	(1,337,806)
Payments for principal portion of lease liabilities	7	(761,039)	(496,130)	(713,159)
Net cash (used in) financing activities		(1,910,635)	(2,164,522)	(2,050,965)
Net increase (decrease) in cash held		217,298	342,927	(5,021,198)
Cash at beginning of year		7,185,053	6,842,126	17,896,139
Cash and cash equivalents at the end of the year	4	7,402,351	7,185,053	12,874,941

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 2027**

	Note	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	2(a)(i)	\$ 61,810,664	\$ 57,865,726	\$ 58,617,336
Rates excluding general rates	2(a)	8,960,952	8,976,905	8,920,858
Grants, subsidies and contributions		8,057,104	4,758,365	8,791,568
Fees and charges	17	26,874,539	25,939,233	26,448,888
Service charges	2(f)	1,803,804	1,803,804	1,808,804
Interest revenue	10(a)	2,600,000	2,588,034	2,410,000
Other revenue		2,571,064	2,664,542	2,169,602
Profit on asset disposals	5	45,000	64,377	64,377
		112,723,127	104,660,986	109,231,433
Expenditure from operating activities				
Employee costs		(53,278,342)	(49,989,408)	(51,412,087)
Materials and contracts		(40,637,037)	(38,858,921)	(40,773,662)
Utility charges		(2,546,146)	(2,461,244)	(2,461,244)
Depreciation	6	(20,072,766)	(21,459,068)	(21,932,500)
Finance costs	10(c)	(370,711)	(409,713)	(387,016)
Insurance		(1,250,821)	(1,244,257)	(1,244,257)
Other expenditure		(1,465,277)	(1,652,033)	(1,332,640)
Loss on asset disposals	5	(288,570)	(281,125)	(281,125)
Share of net loss of associates accounted for using the equity method		0	(889,406)	0
		(119,909,670)	(117,245,175)	(119,824,531)
Non cash amounts excluded from operating activities	3(c)	20,391,336	22,640,222	22,224,248
Amount attributable to operating activities		13,204,793	10,056,033	11,631,150
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		9,868,292	4,915,355	9,650,034
Proceeds from disposal of property, plant and equipment	5(a)	95,000	125,000	200,000
Proceeds from disposal financial assets at amortised cost - term deposits		4,000,000	5,779,322	0
Distributions from investments in associates	13	0	1,572,357	0
		13,963,292	12,392,034	9,850,034
Outflows from investing activities				
Right of use assets received - non cash	5(c)	0	(2,181,017)	(560,000)
Acquisition of property, plant and equipment	5(a)	(6,215,896)	(9,827,583)	(9,345,193)
Acquisition of infrastructure	5(b)	(16,367,826)	(10,171,882)	(18,240,900)
Acquisition of investment property	5(d)	0	(956,512)	(1,590,324)
Payments for financial assets at amortised cost - term deposits		0	0	0
		(22,583,722)	(23,136,994)	(29,736,417)
Non-cash amounts excluded from investing activities	3(d)	(4,000,000)	(5,170,662)	560,000
Amount attributable to investing activities		(12,620,430)	(15,915,622)	(19,326,383)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	7	0	2,181,017	560,000
Transfers from reserve accounts	9(a)	2,024,061	6,163,870	5,894,251
		2,024,061	8,344,887	6,454,251
Outflows from financing activities				
Repayment of borrowings	8(a)	(1,149,596)	(1,668,392)	(1,337,806)
Payments for principal portion of lease liabilities	7	(761,039)	(496,130)	(713,159)
Transfers to reserve accounts	9(a)	(3,736,227)	(4,633,116)	(1,898,116)
		(5,646,862)	(6,797,638)	(3,949,081)
Non-cash amounts excluded from financing activities	3(e)	0	(2,181,017)	(560,000)
Amount attributable to financing activities		(3,622,801)	(633,768)	1,945,170
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	3,089,800	9,583,157	5,830,053
Amount attributable to operating activities		13,204,793	10,056,033	11,631,150
Amount attributable to investing activities		(12,620,430)	(15,915,622)	(19,326,383)
Amount attributable to financing activities		(3,622,801)	(633,768)	1,945,170
Surplus remaining after the imposition of general rates	3	51,362	3,089,800	79,990

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

**CITY OF FREMANTLE
FOR THE YEAR ENDED 30 JUNE 2027
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**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

1 BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

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

2025/26 actual balances

Balances shown in this budget as 2025/26 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

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

Initial application of accounting standards

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

- *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
 - *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
 - *AASB 2024-3 Amendments to Australian Accounting Standards – Standards – Annual Improvements Volume 11*
 - *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
- It is not expected these standards will have an impact on the annual budget on initial application.

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]*
- It is not expected these standards will have an impact on the annual budget on initial application.
- *AASB 18 Presentation and Disclosure in Financial Statements*
 - *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements – (Appendix D) [for not-for-profit and superannuation entities]*
- These accounting standards will materially change the presentation of the annual financial report and annual budget

Critical accounting estimates and judgements

The preparation of the annual budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The annual budget is a forward-looking statement and is comprised of management estimates. As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the annual budget.

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

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Estimated total revenue	2025/26 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Residential Improved	Gross rental valuation	0.071562	10,004	397,688,471	28,459,382		28,459,382	26,859,230	26,764,515
Commercial & Industrial General	Gross rental valuation	0.109900	1,508	188,771,919	20,746,034	150,000	20,896,034	18,064,933	18,040,309
City Centre Commercial	Gross rental valuation	0.109900	343	90,161,433	9,908,741		9,908,741	10,618,397	11,209,838
Residential Unhosted Short Term Accommodation	Gross rental valuation	0.140000	351	10,718,927	1,500,650		1,500,650	1,368,113	1,406,059
Vacant Residential Land	Gross rental valuation	0.143053	133	4,544,550	650,112		650,112	589,512	649,047
Vacant Commercial & Industrial	Gross rental valuation	0.143053	35	2,766,425	395,745		395,745	365,541	547,568
Total general rates			12,374	694,651,725	61,660,664	150,000	61,810,664	57,865,726	58,617,336
		Minimum \$							
(ii) Minimum payment									
Residential Improved	Gross rental valuation	1,925.00	4,152	97,255,860	7,992,600		7,992,600	7,873,050	7,840,200
Commercial & Industrial General	Gross rental valuation	1,925.00	286	3,860,036	550,550		550,550	644,225	644,225
City Centre Commercial	Gross rental valuation	1,925.00	81	972,071	155,925		155,925	122,275	122,275
Residential Unhosted Short Term Accommodation	Gross rental valuation	1,925.00	0	0	0		0	105,850	114,975
Vacant Residential Land	Gross rental valuation	1,925.00	79	825,690	152,075		152,075	155,760	155,760
Vacant Commercial & Industrial	Gross rental valuation	1,925.00	12	95,250	23,100		23,100	21,900	21,900
Total minimum payments			4,610	103,008,907	8,874,250	0	8,874,250	8,923,061	8,899,335
Total general rates and minimum payments			16,984	797,660,632	70,534,914	150,000	70,684,914	66,788,787	67,516,671
(iii) Specified area rates									
CBD Security Levy		0.001605	1,073	109,055,711	175,051		175,051	159,854	157,409
Leighton Maintenance		0.006945	382	17,786,860	123,523		123,523	101,893	89,312
Total specified area rates			1,455	126,842,571	298,574	0	298,574	261,747	246,721
					70,833,488	150,000	70,983,488	67,050,534	67,763,392
Concessions (Refer note 2(g))							(211,872)	(207,903)	(225,198)
Total rates					70,833,488	150,000	70,771,616	66,842,631	67,538,194
Instalment plan charges							139,000	138,000	130,000
Instalment plan interest							435,000	451,662	435,000
Late payment of rate or service charge interest							125,000	186,372	125,000
							699,000	776,034	690,000

*Rateable Value at time of adopting budget.

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

The general rates detailed for the 2026/27 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)

Full amount of rates and charges, including arrears, to be paid on or before 11 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is later.

Option 2 (Four Instalments)

First Instalment to be paid on or before 11 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears; and

Second Instalment to be paid on or before 13 November 2026, or 2 months after the due date of the first instalment, whichever is later.

Third Instalment to be paid on or before 15 January 2027, or 2 months after the due date of the second instalment, whichever is later.

Fourth Instalment to be paid on or before 19 March 2027, or 2 months after the due date of the third instalment, whichever is later.

Option 3 (Weekly by direct debit of 40 payments)

Weekly payments on Friday commencing 11 September 2026 with final payment 11 June 2027

Option 4 (Fortnightly by direct debit of 20 payments)

Fortnightly payments on Friday commencing 11 September 2026 with final payment 4 June 2027

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	11/09/2026	0	0.0%	11.0%
Option two				
First instalment	11/09/2026	0	0.0%	11.0%
Second instalment	13/11/2026	14.40	5.5%	11.0%
Third instalment	15/01/2027	14.40	5.5%	11.0%
Fourth instalment	19/03/2027	14.40	5.5%	11.0%
Option three				
Weekly by direct debit of 40 payments		33.00	5.5%	11.0%
Option four				
Fortnightly by direct debit of 20 payment		33.00	5.5%	11.0%

INSTALMENTS FOR TARGETED UNDERGROUND POWER PROJECT SOUTH FREMANTLE AND FREMANTLE SOUTH

In accordance with section 6.50 of the *Local Government Act 1995*, the City will issue a service charge each year for seven years commencing 1 July 2025 being due and payable within that financial year. The above instalment options apply within the financial year.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
Residential Improved	This rate applies to land that is used for residential purposes under the Local Planning Scheme No. 4 however may be in any zone and is valued on a Gross Rental Value basis (GRV). Residential incorporates residential single dwellings, duplex, multi-unit, strata and department of communities improved properties.	The object of this rate is to apply a base differential rate to properties used for residential purposes. It is the City's benchmark by which all other GRV rate properties area assessed.	The reason for this rate is to ensure that all ratepayers make a reasonable contribution to the cost of local government services and facilities available to residents. It is also lower than the vacant land differential rate as the City is encouraging owners of land holdings to develop that land.
Commercial & Industrial General	This rate applies to all commercial and industrial properties that are zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes, and which are not specifically covered by any other differential rate and is valued on a Gross Rental Value basis (GRV).	The object of this rate is to ensure all commercial and industrial properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.	The reason for this rate is to ensure that the amount of rates derived is sufficient to meet the specific demands placed on the City's infrastructure and services, recognising the higher service demands generated by commercial and industrial activity. This includes increased maintenance requirements and transport links.
City Centre Commercial	This rate applies to all properties other than residential located within the boundaries of the City Centre zone and the abutting Metropolitan Regional reserves being areas bounded by Parry Street, Norfolk Street and including those properties located in Fremantle Fishing Boat and Challenger Harbours and on Victoria Quay.	The object of this rate is to ensure all city centre properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.	The reason for this rate is to ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements and transport links.
Residential Un-hosted Short Term Accommodation	This rate applies to land zoned residential where a purpose for which the land is held or used is to offer home short stay accommodation. This is applicable to owners that have an active un-hosted registration on 1 July on the WA Government Short-Term Rental Accommodation Register and applies for the full financial year.	The object of this rate is to ensure that the proportion of total rates derived from un-hosted short stay represents an equitable contribution towards City amenities and services supporting this activity.	The reason for this rate is to ensure the owners of residential land used for the commercial purpose of short stay accommodation contribute to costs associated with this activity. This includes economic development initiatives, marketing and maintaining essential public infrastructure such as beaches, parks and public amenities.
Vacant Residential Land	This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for residential purposes.	The object of this differential rate is to impose a higher differential rate to encourage the development of vacant land into residential property.	The reason for this rate is that the development of vacant land is expected to deliver community benefits by enhancing the vibrancy of the City and neighbourhood centres and increasing the supply of housing.
Vacant Commercial & Industrial	This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes and is valued on a Gross Rental Value basis (GRV).	The object of this rate is to impose a higher differential rate for vacant land to encourage development within the City.	The reason for this rate is the city considers the development of vacant commercial and industrial land is in the best interests of the community, supporting the development of all properties to their full potential and stimulating economic growth.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
Residential Improved	This rate applies to land that is used for residential purposes under the Local Planning Scheme No. 4 however may be in any zone and is valued on a Gross Rental Value basis (GRV). Residential incorporates residential single dwellings, duplex, multi-unit, strata and department of communities improved properties.	A minimum rate is to be applied to all the City's differential rate categories.	The imposition of a minimum rate is in recognition that every property receives at least a minimum level of benefit from the amenities, infrastructure and services provided by the City.
Commercial & Industrial General	This rate applies to all commercial and industrial properties that are zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes, and which are not specifically covered by any other differential rate and is valued on a Gross Rental Value basis (GRV).		
City Centre Commercial	This rate applies to all properties other than residential located within the boundaries of the City Centre zone and the abutting Metropolitan Regional reserves being areas bounded by Parry Street, Norfolk Street and including those properties located in Fremantle Fishing Boat and Challenger Harbours and on Victoria Quay.		
Residential Un-hosted Short Term Accommodation	This rate applies to land zoned residential where a purpose for which the land is held or used is to offer home short stay accommodation. This is applicable to owners that have an active un-hosted registration on 1 July on the WA Government Short-Term Rental Accommodation Register and applies for the full financial year.		
Vacant Residential Land	This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for residential purposes.		
Vacant Commercial & Industrial	This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes and is valued on a Gross Rental Value basis (GRV).		

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

Specified area rate	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
CBD Security Levy	\$ 175,051	\$ 0	\$ 0	To fund a safety and security strategy for a specified area of the Fremantle CBD. The full levy amount will be utilised within the financial year, with no funds transferred to reserves.	Bounded by Parry Street, South Terrace, Suffolk Street, Fishing Boat Harbour (West of Mews Road) and along the coast to Bathers Beach, Fleet Street, Phillimore Street and Elder Place
Leighton Maintenance	0	136,059	(62,000)	To fund the above normal costs associated with maintaining the higher standard of landscaping of the Leighton Residential Area	All properties within the Leighton Beach area and that as this time are located on Port Beach Road, Leighton Beach Boulevard and Freeman Loop
	175,051	136,059	(62,000)		

(f) Service Charges

Service charge	Amount of charge	2026/27 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2025/26 Actual Estimate revenue	2025/26 Budget revenue
Community Bore	\$ 124	\$ 8,804	\$ 4,500	\$ 8,804	\$ (4,500)	\$ 8,804	\$ 8,804
Underground power South Fremantle and Fremantle South	Refer to TABLE 1 below	1,795,000	0	1,795,000	0	1,795,000	1,800,000
		1,803,804	4,500	1,803,804	(4,500)	1,803,804	1,808,804

TABLE 1

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

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES (CONTINUED)

(g) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/Concession	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession	
South Fremantle Football Club	Rate	Concession	\$ 12,000	\$ 12,000	\$ 12,000	Sporting Clubs - Rates	Sporting clubs became rateable when the Local Government Act 1995 came into fruition. Rating of the sporting clubs commenced in May 2006 however at the same time due to the community benefits provided by the clubs, these rates were waived.	
Department of Planning and Heritage (owner) - Fremantle Prison - Model Railway	Rate	Concession	879	892	892	Sporting Clubs - Rates		
Department of Planning and Heritage (owner) - Fremantle Prison - Childrens Literature	Rate	Concession	10,014	10,832	10,832	Sporting Clubs - Rates		
Fremantle Voulnteer Sea Rescue Group Incorporated	Rate	Concession	3,575	3,516	3,516	Sporting Clubs - Rates		
Hilton Park Bowling & Recreation Club Incorporated	Rate	Concession	9,517	8,720	8,720	Sporting Clubs - Rates		
Apace WA Incorporated	Rate	Concession	9,396	9,807	9,807	Sporting Clubs - Rates		
Fremantle Netball Association Incorporated	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
Royal Fremantle Golf Course Pty Ltd	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
Fremantle Hockey Club Incorporated	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
Fremantle Surf Life Saving Club Incorporated	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
Fremantle United Soccer & Recreational Club Incorporated	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
North Fremantle Associated Clubs Incorporated	Rate	Concession	3,847	4,161	4,161	Sporting Clubs - Rates		
North Freo Bowlo	Rate	Concession	7,154	0	0	Sporting Clubs - Rates		
North Fremantle Football - Caretaker Quarters	Rate	Concession	2,349	2,120	2,120	Sporting Clubs - Rates		
Grandstand	Rate	Concession	6,751	6,751	6,751	Sporting Clubs - Rates		
Fremantle Mosman Park Cricket Club	Rate	Concession	3,834	3,834	3,834	Sporting Clubs - Rates		
The WA Circus School Incorporated	Rate	Concession	1,925	1,825	1,825	Sporting Clubs - Rates		
Fremantle Park Sport & Community Centre Incorporated	Rate	Concession	12,000	12,000	12,000	Sporting Clubs - Rates		
Main Roads	Rate	Concession	5,865	5,961	5,961	Vacant Commercial - Rates		Crown Land lease that prohibits development
		Concessions adopted during 2026/27 financial year are capped at \$12,000pa maximum per ratepayer						
The Italian Club Fremantle Incorporated	Rate	Concession	12,000	12,000	12,000	Community Groups	Rate concessions for not for profit community groups who provide a valuable local service for our community and make us part of the cultural fabric of our community.	
WA Portuguese Club Incorporated	Rate	Concession	0	2,104	12,000	Community Groups		
WA Croatian Community Centre Incorporated	Rate	Concession	12,000	12,000	12,000	Community Groups		
Navy Club Incorporated	Rate	Concession	0	1,514	8,914	Community Groups		
Fremantle Buffalo Club Incorporated	Rate	Concession	12,000	12,000	12,000	Community Groups		
Fremantles Mens Shed	Rate	Concession	3,868	3,584	3,584	Community Groups		
St Patrick's Community Support Centre U1	Rate	Concession	3,648	4,033	4,033	Community Groups		
St Patrick's Community Support Centre U2	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U3	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U4	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U5	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U6	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U7	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U8	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U9	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U10	Rate	Concession	1,925	1,825	1,825	Community Groups		
St Patrick's Community Support Centre U11	Rate	Concession	1,925	1,825	1,825	Community Groups		
			211,872	207,903	225,198			

CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

3. NET CURRENT ASSETS

		2026/27	2025/26	2025/26
		Budget	Actual Estimate	Budget
		30 June 2027	30 June 2026	30 June 2026
(a) Composition of estimated net current assets	Note	Carried forward	Carried forward	Carried forward
Current assets		\$	\$	\$
Cash and cash equivalents	4	7,402,351	7,185,053	12,874,941
Financial assets		27,330,544	31,330,544	12,628,054
Receivables		1,781,499	1,781,499	3,453,779
Inventories		319,610	219,610	193,809
Other assets		1,456,114	1,756,114	1,973,675
		38,290,118	42,272,820	31,124,258
Less: current liabilities				
Trade and other payables		(7,825,564)	(7,625,564)	(7,520,400)
Contract liabilities		(299,500)	(3,399,500)	(320,130)
Capital grant/contributions liabilities		(530,000)	(786,430)	(948,548)
Lease liabilities	7	(780,000)	(761,039)	(720,000)
Long term borrowings	8	(997,589)	(1,149,596)	(1,172,856)
Employee provisions		(7,521,682)	(7,021,682)	(6,851,057)
		(17,954,335)	(20,743,811)	(17,532,991)
Net current assets		20,335,783	21,529,009	13,591,267
Less: Total adjustments to net current assets	3(b)	(20,284,421)	(18,439,209)	(13,511,277)
Net current assets used in the Statement of Financial Activity		51,362	3,089,800	79,990
(b) Current assets and liabilities excluded from budgeted deficiency				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	9	(19,765,232)	(18,053,066)	(15,404,133)
Less: Current assets not expected to be received at end of year				
Less: Restricted - Distribution from investment in associates		(1,572,357)	(1,572,357)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		997,589	1,149,596	1,172,856
- Current portion of lease liabilities		780,000	761,039	720,000
- Non-current contract liability		(724,421)	(724,421)	
Total adjustments to net current assets		(20,284,421)	(18,439,209)	(13,511,277)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

		2026/27	2025/26	2025/26
		Budget	Actual Estimate	Budget
		30 June 2027	30 June 2026	30 June 2026
(c) Amounts excluded from operating activities	Note	Carried forward	Carried forward	Carried forward
		\$	\$	\$
Less: Profit on asset disposals	5	(45,000)	(64,377)	(64,377)
Less: Share of net profit of associates accounted for using the equity method			889,406	0
Add: Loss on asset disposals	5	288,570	281,125	281,125
Add: Depreciation	6	20,072,766	21,459,068	21,932,500
Movement in current liabilities associated funds held in reserve account:				
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		75,000	75,000	75,000
Non cash amounts excluded from operating activities		20,391,336	22,640,222	22,224,248
(d) Amounts excluded from investing activities				
Right of use assets recognised	5(c)	0	2,181,017	560,000
Reconciling item - movement between current assets:				
- Financial assets at amortised cost - term deposits		(4,000,000)	(5,779,322)	0
Reconciling item - movement non-current assets:				
Investment in Associates		0	(1,572,357)	0
Non cash amounts excluded from investing activities		(4,000,000)	(5,170,662)	560,000
(e) Amounts excluded from financing activities				
Less: Lease liability recognised	7	0	(2,181,017)	(560,000)
Non cash amounts excluded from financing activities		0	(2,181,017)	(560,000)

3. NET CURRENT ASSETS (CONTINUED)

(f) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

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

INVENTORIES

General

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

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

INVENTORY - LAND HELD FOR RESALE

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

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

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

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.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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

Other long-term employee benefits

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

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

Note	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
	\$	\$	\$
Cash and cash equivalents	7,402,351	7,185,053	12,874,941
Restrictions			
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	3,319,153	4,963,417
	Restricted financial assets at amortised cost - term deposits	18,000,000	18,000,000
		21,319,153	22,963,417
			16,352,681
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
9	Reserve accounts	19,765,232	18,053,066
	Contract liabilities	299,500	3,399,500
	Capital grant/contributions liabilities	1,254,421	1,510,851
8(c)	Unspent borrowings [Describe]	0	0
	Total restricted financial assets	21,319,153	22,963,417
			16,352,681

(b) Reconciliation of net cash provided by operating activities

Net result		2,681,749	(7,668,834)	(943,064)
Non-cash items:				
6	Depreciation	20,072,766	21,459,068	21,932,500
5	Loss on sale of assets	243,570	216,748	216,748
	Adjustments to fair value of financial assets at fair value through profit and loss	0	0	0
	Adjustments to fair value of investment property	0	0	0
	Reversal of prior year loss on revaluation of assets	0	0	0
	Loss on revaluation of non current assets	0	0	0
	Share of profit or (loss) of associates accounted for using the equity method	0	889,406	0
Changes in assets and liabilities:				
	(Increase)/decrease in receivables	75,000	240,299	200,000
	(Increase)/decrease in inventories	(100,000)	(34,485)	0
	(Increase)/decrease in other assets	300,000	230,557	0
	Increase/(decrease) in trade and other payables	200,000	613,352	400,000
	Increase/(decrease) in contract liabilities	(3,100,000)	2,723,718	
	Increase/(decrease) in capital grant/contributions liabilities	(256,430)	(3,183,082)	(4,000,000)
	Increase/(decrease) in employee related provisions	500,000	500,000	200,000
	Increase/(decrease) in other provisions	0	0	
	Capital grants, subsidies and contributions	(9,611,862)	(1,732,273)	(5,650,034)
	Net cash provided by operating activities	11,004,793	14,254,474	12,356,150

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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.

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

5. PROPERTY, PLANT AND EQUIPMENT

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

	2026/27 Budget					2025/26 Actual Estimate					2025/26 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land					0	640,000				0	0				0
Buildings - non-specialised	4,751,513				0	6,475,278				0	6,943,982				0
Furniture and equipment	35,000				0	122,211				0	122,211				0
Plant and equipment	1,429,383	(338,570)	95,000	45,000	(288,570)	2,590,094	(341,748)	125,000	64,377	(281,125)	2,279,000	(416,748)	200,000	64,377	(281,125)
Total	6,215,896	(338,570)	95,000	45,000	(288,570)	9,827,583	(341,748)	125,000	64,377	(281,125)	9,345,193	(416,748)	200,000	64,377	(281,125)
(b) Infrastructure															
Infrastructure - roads	5,106,357				0	4,386,687				0	5,300,893				0
Infrastructure - footpaths	1,127,597				0	490,089				0	770,000				0
Infrastructure - drainage	1,938,200				0	792,922				0	1,263,162				0
Infrastructure - parks and ovals	3,113,480				0	2,277,065				0	6,986,485				0
Infrastructure - Other	5,082,192				0	2,225,119				0	3,920,360				0
Total	16,367,826	0	0	0	0	10,171,882	0	0	0	0	18,240,900	0	0	0	0
(c) Right of Use Assets															
Right of use - land and buildings					0	360,000				0	200,000				0
Right of use - plant and equipment					0	1,821,017				0	360,000				0
Total	0	0	0	0	0	2,181,017	0	0	0	0	560,000	0	0	0	0
(d) Investment Property															
Investment Land and Buildings					0	956,512				0	1,590,324				0
Total	0	0	0	0	0	956,512	0	0	0	0	1,590,324	0	0	0	0
Total	22,583,722	(338,570)	95,000	45,000	(288,570)	23,136,994	(341,748)	125,000	64,377	(281,125)	29,736,417	(416,748)	200,000	64,377	(281,125)

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

GAINS AND LOSSES ON DISPOSAL

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

6. DEPRECIATION

By Class

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

By Program

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

	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
	\$	\$	\$
Buildings - non-specialised	6,644,616	6,585,183	6,657,525
Furniture and equipment	112,416	95,127	132,245
Plant and equipment	668,916	435,057	414,914
Infrastructure - roads	4,718,052	4,651,555	4,659,780
Infrastructure - footpaths	1,746,240	1,760,616	1,786,346
Infrastructure - drainage	803,916	801,735	795,390
Infrastructure - parks and ovals	3,557,760	5,390,449	5,872,719
Infrastructure - Other	1,063,788	1,033,937	908,172
Right of use - land and buildings	126,628	114,989	114,989
Right of use - plant and equipment	630,434	590,420	590,420
	20,072,766	21,459,068	21,932,500
Governance	2,481,991	2,401,639	2,412,828
Law, order, public safety	151,032	150,735	154,061
Health	1,236	1,073	1,238
Education and welfare	43,800	44,223	43,793
Community amenities	133,596	108,776	107,981
Recreation and culture	7,225,927	9,021,312	9,672,820
Transport	8,515,840	8,241,015	8,083,471
Other property and services	1,519,344	1,490,295	1,456,308
	20,072,766	21,459,068	21,932,500

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

AMORTISATION

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

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

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

7. LEASE LIABILITIES

Purpose	Lease Number	Budget Lease		2026/27		Budget	2025/26		Actual Estimate	2025/26		2025/26		Budget	2025/26	
		Principal 1 July 2026	New Leases	Budget Principal Repayments	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2027	Budget Lease Interest Repayments	Actual Principal 1 July 2025	Actual Estimate New Leases	Actual Lease Principal repayments	Lease Principal outstanding 30 June 2026	Actual Lease Interest repayments	Budget Principal 1 July 2025	Budget New Leases	Budget Lease Principal repayments	Lease Principal outstanding 30 June 2026
CRT & MIS	02	\$ 33,238	\$ 0	\$ (26,269)	\$ 6,969	\$ (623)	\$ 5,348	\$ 53,786	\$ (25,896)	\$ 33,238	\$ (996)	\$ 6,305	\$ 110,000	\$ (19,430)	\$ 96,875	\$ (570)
IT Server	13	0	0	0	0	0	71,391	0	(71,391)	0	(18,558)	848,892	0	(320,302)	528,590	(28,929)
Pool Cleaner	06	15,409	0	(7,826)	7,583	(176)	6,116	16,680	(7,387)	15,409	(203)	6,117	20,000	(8,324)	17,793	(176)
Gym Equipment	07	397,427	0	(64,518)	332,909	(10,924)	461,032	0	(63,605)	397,427	(12,802)	452,427	0	(72,424)	380,003	(3,018)
Restaurant	08	329,207	0	(28,139)	301,068	(7,861)	2	360,000	(30,795)	329,207	(8,655)	0	200,000	(34,560)	165,440	(1,440)
Car Park 19	12	388,965	0	(100,044)	288,921	(9,956)	488,021	0	(99,056)	388,965	(12,870)	488,021	0	(97,130)	390,891	(12,870)
RFID - Library	14	0	0	0	0	0	17,206	0	(17,206)	0	(197)	17,208	200,000	(33,914)	183,294	(893)
IT Equipment	15	0	0	0	0	0	7,578	0	(7,578)	0	(64)	7,578	30,000	(15,281)	22,297	(385)
Computer Equipment	16	0	0	0	0	0	0	0	0	0	0	320,000	0	(111,794)	208,206	(4,658)
Computer Equipment	17	1,577,335	0	(534,243)	1,043,092	(49,274)	0	1,750,551	(173,216)	1,577,335	(21,291)	0	0	0	0	0
		2,741,581	0	(761,039)	1,980,542	(78,814)	1,056,694	2,181,017	(496,130)	2,741,581	(75,636)	2,146,548	560,000	(713,159)	1,993,389	(52,939)

MATERIAL ACCOUNTING POLICIES

LEASES

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

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

LEASE LIABILITIES

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

8. BORROWINGS

(a) Borrowing repayments

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

Purpose	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget		2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual Estimate Principal Repayments	Actual Estimate Principal outstanding 30 June 2026	2025/26 Actual Estimate Interest Repayments	2025/26 Budget		2025/26 Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				Budget Principal Repayments	Principal outstanding 30 June 2027						Budget Principal	Budget Principal		
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
307 Walyalup Civic Centre and Lit	WATC	1.96	14,795,725	(928,139)	13,867,586	(285,441)	15,705,938	(910,213)	14,795,725	(303,367)	15,705,938	(910,213)	14,795,725	(303,367)
298 Leighton Beach Kiosk & Chan	WATC	3.00	0	0	0	0	41,869	(41,869)	0	0	41,867	(41,869)	(2)	0
301 Leighton Beach Kiosk	WATC	3.15	10,581	(10,581)	0	0	52,083	(41,502)	10,581	(827)	52,083	(41,502)	10,581	(827)
303 Fremantle Boys School	WATC	2.86	79,312	(79,312)	0	(1,423)	156,396	(77,084)	79,312	(3,651)	156,396	(77,084)	79,312	(3,651)
308 Arthur Head - Wall stabilisatio	WATC	1.50	260,097	(50,351)	209,746	(4,017)	309,641	(49,544)	260,097	(4,825)	309,640	(49,544)	260,096	(4,825)
289 Road Asset Program	WATC	3.99	0	0	0	0	0	0	0	0	0	0	0	0
291 Drainage Asset Program	WATC	3.99	0	0	0	0	0	0	0	0	0	0	0	0
295 Road Asset Program	WATC	3.44	0	0	0	0	26,499	(26,499)	0	0	26,497	(26,498)	(1)	0
296 Footpath Asset Program	WATC	3.44	0	0	0	0	7,597	(7,597)	0	0	7,597	(7,597)	(0)	0
297 Drainage Asset Program	WATC	3.44	0	0	0	0	8,833	(8,833)	0	0	8,834	(8,834)	(0)	0
300 Road Asset Program	WATC	3.15	24,562	(24,562)	0	0	120,907	(96,345)	24,562	(1,919)	120,908	(96,345)	24,563	(1,919)
305 Heavy Vehicles	WATC	2.86	56,651	(56,651)	0	(1,016)	111,711	(55,060)	56,651	(2,608)	111,711	(55,060)	56,651	(2,608)
Share of SMRC* Loans	SMRC	4.12**	0	0	0	0	353,846	(353,846)	0	(16,880)	353,452	(23,260)	330,192	(16,880)
			15,226,928	(1,149,596)	14,077,332	(291,897)	16,895,320	(1,668,392)	15,226,928	(334,077)	16,894,922	(1,337,806)	15,557,116	(334,077)

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

The City does not intend to undertake any new borrowings for the year ended 30th June 2027

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2026 nor is it expected to have unspent borrowing funds as at 30th June 2027.

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Credit card limit	450,000	450,000	450,000
Credit card balance at balance date	(50,000)	(45,000)	(50,000)
Total amount of credit unused	400,000	405,000	400,000
Loan facilities			
Loan facilities in use at balance date	14,077,332	15,226,928	15,557,116

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual Estimate				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Cash-in-lieu of public open space reserve	868,954	34,758	0	903,712	878,954	0	(10,000)	868,954	621,404	0	(10,000)	611,404
(b) Developer contributions fund reserve	0	0	0	0	0	0	0	0	0	0	0	0
(c) Payment in lieu Parking reserve	0	0	0	0	0	0	0	0	0	0	0	0
(d) Specified area rate reserve - Leighton Precinct Maintenance Reserve	313,396	136,059	(62,000)	387,455	285,084	89,312	(61,000)	313,396			(61,000)	298,475
(e) Service charge reserve - White Gum Valley Precinct Community Bore Reserve	40,142	10,410	(4,500)	46,052	35,338	8,804	(4,000)	40,142	270,163	89,312	(4,000)	41,487
(f) Service charge reserve - South Fremantle Targeted Underground Power	1,835,000	1,855,000	0	3,690,000	0			1,835,000	36,683	8,804	0	1,800,000
	3,057,492	2,036,227	(66,500)	5,027,219	1,199,376	1,835,000	(75,000)	3,057,492	0	1,800,000		1,800,000
						1,933,116			928,250	1,898,116	(75,000)	2,751,366
Restricted by council												
(g) Cantonment Hill Master Plan Reserve	117,868	0	(50,000)	67,868	117,868	0	0	117,868	117,868	0	0	117,868
(h) Community Care Programs Reserve	6,386	0	0	6,386	6,386	0	0	6,386	6,386	0	0	6,386
(i) Fremantle Markets Conservation Reserve	70,132	0	0	70,132	70,132	0	0	70,132	70,132	0	0	70,132
(j) Fremantle Oval Reserve	640,708	0	(175,708)	465,000	760,708	0	(120,000)	640,708	773,303	0	(308,303)	465,000
(k) Hilton Park Sports Reserve	3,220,363	500,000	(511,853)	3,208,510	3,541,249	0	(320,886)	3,220,363	3,490,000	0	(830,000)	2,660,000
(l) Investment Fund Reserve	3,677,961	0	0	3,677,961	4,948,574	0	(1,270,613)	3,677,961	4,828,601	0	(707,638)	4,120,963
(m) Leisure Centre Upgrade Reserve	473,337	0	0	473,337	506,792	0	(33,455)	473,337	483,599	0	0	483,599
(n) Parking Dividend Equalisation Reserve	3,813,048	0	0	3,813,048	6,192,654	0	(2,379,606)	3,813,048	5,962,048	0	(1,509,000)	4,453,048
(o) Parks Recreation and Facilities Reserve	97,771	0	0	97,771	97,771	0	0	97,771	97,771	0	0	97,771
(p) Sustainability Investment Reserve	178,000	0	0	178,000	200,310	0	(22,310)	178,000	200,310	0	(22,310)	178,000
(q) South Beach Reserve	0	0	0	0	0	0	0	0	500,000	0	(500,000)	0
(r) Projects Unexpended Municipal Reserve	2,700,000	0	(720,000)	1,980,000	1,942,000	2,700,000	(1,942,000)	2,700,000	1,942,000	0	(1,942,000)	0
(s) Strategic Asset Investment and Renewal Reserve	0	1,200,000	(500,000)	700,000	0	0	0	0	0	0	0	0
	14,995,574	1,700,000	(1,957,561)	14,738,013	18,384,444	2,700,000	(6,088,870)	14,995,574	18,472,018	0	(5,819,251)	12,652,767
	18,053,066	3,736,227	(2,024,061)	19,765,232	19,583,820	4,633,116	(6,163,870)	18,053,066	19,400,268	1,898,116	(5,894,251)	15,404,133

9. RESERVE ACCOUNTS

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Cash-in-lieu of public open space reserve	Ongoing	To hold any monies received as contribution for cash in lieu of public open space.
(b) Developer contributions fund reserve	Ongoing	To hold the developer contributions paid to the City as required by State Planning Policy 3.6 Infrastructure contributions or other relevant agreement. The funds will be used as specified in the developer contribution plan or agreement.
(c) Payment in lieu Parking reserve	Ongoing	To hold funds paid in lieu of a parking condition under section 2.771 of the Planning and Development (Local Planning Schemes) Regulations 2015.
(d) Specified area rate reserve - Leighton Precinct Maintenance Reserve	Ongoing	To hold any specified area rate income raised during the financial year that were unspent at 30 June in relation to Leighton Precinct maintenance. To fund the above normal costs associated with maintaining the higher standard of the landscaping of the Leighton residential area.
(e) Service charge reserve - White Gum Valley Precinct Community Bore Reserve	Ongoing	To fund the associated costs required to maintain the community bore within the WGV development.
(f) Service charge reserve - South Fremantle Targeted Underground Power	Ongoing	To fund the delivery of the South Fremantle Targeted Underground Power Project being delivered by Western Power.
Restricted by council		
(g) Cantonment Hill Master Plan Reserve	Ongoing	To fund capital works at Cantonment Hill in accordance with the Cantonment Hill Master Plan.
(h) Community Care Programs Reserve	Ongoing	To fund Community Care Programs.
(i) Fremantle Markets Conservation Reserve	Ongoing	To fund conservation works to the Fremantle Markets.
(j) Fremantle Oval Reserve	Ongoing	To fund capital and business planning costs associated with the redevelopment of the Fremantle Oval precinct.
(k) Hilton Park Sports Reserve	Ongoing	To fund sporting, infrastructure and facility improvements in and around Hilton Park Sports Reserve.
(l) Investment Fund Reserve	Ongoing	To realise and make investments in income producing assets. A specified list of investment properties forms part of the investments. Funds will not be withdrawn from the reserve to subsidise operating or recurrent expenditure, nor shall funds be withdrawn for the purpose of providing community facilities that do not provide a commercial rate of return, unless specifically decided otherwise by the Council.
(m) Leisure Centre Upgrade Reserve	Ongoing	To provide funds for major upgrading and refurbishment works at the Fremantle Leisure Centre.
(n) Parking Dividend Equalisation Reserve	Ongoing	To provide a smoothing out of revenue contributions to municipal operations from commercial parking activities. That is to be achieved as follows (a) by transferring net profits in excess of budget to the reserve and (b) if required, when there is a material (i.e. plus 1%) net loss, transferring funds from the reserve to municipal fund to compensate the loss. Fund commercial parking capital equipment and facilities or parking infringement capital equipment and facilities to the extent the funds available in the reserve exceed 2.5% of budgeted gross parking revenue. Provide temporary funding to the City for its initial contribution to the Hilton Underground Power project. This funding will be returned to the Reserve annually via a service levy on residential consumers within the Hilton Underground Power project.
(o) Parks Recreation and Facilities Reserve	Ongoing	To fund improvements within the South Fremantle Tip Site Reserve. To finance improvements within the Kings Square Reserve. To finance tourism projects within the City. To finance facilities for sporting clubs on a self supporting loan basis in accordance with Council guidelines for such advances to clubs. To finance improvements within the Port and Leighton Beach Reserve. To finance capital works and improvements at Fremantle Oval. To finance improvements or major refurbishments to other parks and recreation facilities within the municipality.
(p) Sustainability Investment Reserve	Ongoing	Invest in projects that promote positive sustainability and renewable energy related outcomes or projects and programs that support net zero outcomes or develop options for net zero. If no sustainability or renewable energy related projects can be identified, the fund will accumulate that year's contribution.
(q) South Beach Reserve	Ongoing	To fund infrastructure and facilities improvement.
(r) Projects Unexpended Municipal Reserve	Ongoing	To hold municipal funding for uncompleted or deferred projects, that will be completed and expended in ensuing financial years.
(s) Strategic Asset Investment and Renewal Reserve	Ongoing	To fund strategic asset delivery and renewal, in line with the City's long-term financial plan.

Reserve Accounts - Change in Name

The City has resolved to make the following changes in the name of the following reserve account. This money is to continue to be used or set aside for the same purpose for which the account was established.

Reserve name	Proposed new name of the reserve	Objects of changing name of the reserve
Projects Unexpended Municipal Reserve	Carried Forward Projects Reserve	To provide greater clarity on the purpose

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

10. OTHER INFORMATION

	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	2,040,000	1,950,000	1,850,000
Other interest revenue	560,000	638,034	560,000
	2,600,000	2,588,034	2,410,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	163,000	143,000	213,000
Other services	72,512	118,068	48,068
	235,512	261,068	261,068
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	291,897	334,077	334,077
Interest on lease liabilities (refer Note 7)	78,814	75,636	52,939
	370,711	409,713	387,016

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual Estimate	2025/26 Budget
	\$	\$	\$
Mayor - Current			
Mayor's allowance	104,032	69,441	70,522
Meeting attendance fees	55,078	47,351	47,923
Other expenses	2,700	696	2,700
Annual allowance for ICT expenses	3,500	3,462	3,500
Travel and accommodation expenses	0	1,362	0
Superannuation contribution payments	19,093	14,051	14,214
	184,403	136,363	138,859
Mayor - Vacated			
Mayor's allowance	0	29,992	29,992
Meeting attendance fees	0	15,879	15,879
Annual allowance for ICT expenses	0	1,044	1,044
Superannuation contribution payments	0	5,504	5,504
	0	52,419	52,419
Deputy Mayor - Current			
Deputy Mayor's allowance	26,008	17,360	17,630
Meeting attendance fees	36,722	35,099	35,480
Other expenses	1,000		1,000
Annual allowance for ICT expenses	3,500	3,462	3,500
Superannuation contribution payments	7,528	6,295	6,373
	74,758	62,216	63,983
Deputy Mayor - Vacated			
Deputy Mayor's allowance	0	7,498	7,498
Meeting attendance fees	0	10,587	10,587
Annual allowance for ICT expenses	0	1,044	1,044
Superannuation contribution payments	0	2,170	2,170
	0	21,299	21,299
Council member 3			
Meeting attendance fees	36,722	35,480	35,480
Other expenses	900		900
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	105	
Superannuation contribution payments	4,407	4,258	4,258
	45,529	43,343	44,138
Council member 4			
Meeting attendance fees	36,722	35,099	35,480
Other expenses	900		900
Annual allowance for ICT expenses	3,500	3,462	3,500
Superannuation contribution payments	4,407	4,212	4,258
	45,529	42,773	44,138
Council member 5			
Meeting attendance fees	36,722	35,480	35,480
Other expenses	900		900
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,407	4,258	4,258
	45,529	43,238	44,138
Council member 6			
Meeting attendance fees	36,722	35,480	35,480
Other expenses	900		900
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,407	4,258	4,258
	45,529	43,238	44,138
Council member 7			
Meeting attendance fees	36,722	35,480	35,480
Other expenses	900		900
Annual allowance for ICT expenses	3,500	3,500	3,500
Superannuation contribution payments	4,407	4,258	4,258
	45,529	43,238	44,138
Council member 8			
Meeting attendance fees	36,722	24,512	24,893
Other expenses	900		900
Annual allowance for ICT expenses	3,500	2,418	2,456
Superannuation contribution payments	4,407	2,941	2,988
	45,529	29,871	31,237
Council member 9			
Meeting attendance fees	36,722	24,512	24,893
Other expenses	900		900
Annual allowance for ICT expenses	3,500	2,418	2,456
Superannuation contribution payments	4,407	2,941	2,988
	45,529	29,871	31,237
Council member - Vacated			
Meeting attendance fees	0	10,587	14,783
Annual allowance for ICT expenses	0	1,044	1,461
Superannuation contribution payments	0	1,270	1,774
	0	12,901	18,018
Council member - Vacated			
Meeting attendance fees	0	10,587	14,783
Annual allowance for ICT expenses	0	1,044	1,461
Superannuation contribution payments	0	1,270	1,774
	0	12,901	18,018
Total Council Member Remuneration	577,864	573,670	595,757
Mayor's allowance	104,032	99,433	100,514
Deputy Mayor's allowance	26,008	24,858	25,128
Meeting attendance fees	348,854	356,133	366,621
Other expenses	10,000	696	10,000
Annual allowance for ICT expenses	31,500	33,398	34,422
Travel and accommodation expenses	0	1,467	0
Superannuation contribution payments	57,470	57,685	59,072
	577,864	573,670	595,757

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

12. MAJOR LAND TRANSACTIONS

(a) Details

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

An expression of interest (EOI) process was commenced in February 2023 seeking applications from capable and experienced golf course operators for the management and maintenance of the Fremantle Public Golf Course.

Following the identification of a preferred applicant via the EOI process, in June 2023 the City sought Council approval to authorise the CEO to commence negotiations with the preferred applicant, Belgravia Leisure, for a maximum period of three months. As per the resolution, the endorsed business plan was advertised for public comment from 23 November 2023 to 19 January 2024. Following the business plan process, Council approved a lease for the preferred operator which has now been executed and is in place. Planning approval and building permits have now been achieved. As per the terms of the lease the construction of the facility proposed within business plan is underway with expected completion to be May 2027.

(b) Expected future cash flows

	2026/27	Total
	\$	\$
Cash outflows		
Contribution - City of Fremantle	(3,200,000)	(3,200,000)
	<u>(3,200,000)</u>	<u>(3,200,000)</u>
Net cash flows	<u>(3,200,000)</u>	<u>(3,200,000)</u>

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

13. INVESTMENT IN ASSOCIATES

(a) Investment in associate

The City resolved at its Ordinary Council Meeting held on 22 November 2023 to withdraw from the Resource Recovery Group (RRG, formerly the Southern Metropolitan Regional Council) and all associated projects.

At its meeting on 18 May 2026, the RRG advised that the distribution of its remaining equity to the two continuing member local governments would occur following completion of the audit of the final financial report and adoption of the final annual report, prior to 30 June 2026.

As at the reporting date, the City has no equity interest in the RRG and no liability in respect of RRG borrowings.

	2026/27 Budget	2025/26 Actual Estimate
Carrying amount at 1 July	0	2,461,763
- Share of associates net profit/(loss) for the period	0	(889,406)
- Distribution of equity by associate		(1,572,357)
Carrying amount at 30 June (Refer to Note 13 (a))	0	0

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
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14. TRUST FUNDS

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

Detail	Balance 30 June 2026	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2027
	\$	\$	\$	\$
Cash In Lieu of Parking	469,360	0	0	469,360
Cash In Lieu of Public Open Space	85,673	0	0	85,673
Gweneth Ewens	30,297	0	0	30,297
John Francis Boyd	2,700	0	(2,700)	0
Victor Felstead	41,985	0	(31,488)	10,497
Unclaimed Funds - Debtors	4,441	0	0	4,441
Miscellaneous	7,310	0	0	7,310
Trust Interest	56,146	0	0	56,146
	697,912	0	(34,188)	663,724

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

15. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

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

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

GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

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

SERVICE CHARGES

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

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

INTEREST REVENUE

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

OTHER REVENUE

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

PROFIT ON ASSET DISPOSAL

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

EXPENSES

EMPLOYEE COSTS

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

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

MATERIALS AND CONTRACTS

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

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

UTILITIES (GAS, ELECTRICITY, WATER)

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

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

15. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	Rates	Over time	Payment dates adopted by Council	None	When taxable event occurs
Grants, subsidies and contributions	Delivery of specified community programs, infrastructure projects, environmental initiatives, planning and other agreed services	Over time	Funding received upfront, by milestone, or on submission of progress reports	Unspent or non-compliant funds may be repayable in accordance with funding agreement	Recognised as performance obligations are satisfied using an appropriate output or milestone-based measure
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When payment is received
Regulatory Fees and Charges (Licences, Permits, Registrations and Approvals)	Building permits, development approvals, health registrations, animal registrations, occupancy permits and similar statutory services	Single point in time	Generally payable in full on application or prior to issue	Refunds only where provided for under legislation or Council policy	On payment of the licence, registration or approval
Fees and charges for other goods and services	Waste services, parking, engineering services, planning advice, document fees, administration services, library services and facility hire	Single point in time	Payment in advance, at time of service, or approved credit arrangements	Refunds may be available for cancelled services or unused portions, subject to policy	Output method based on provision of service or completion of works
Memberships	Recreation centre, aquatics, fitness and arts memberships	Over time	Payment in full in advance or periodical payment	Refunds may be available in accordance with membership terms and conditions	Recognised over the membership period as access rights are provided
Rental and Leasing Revenue	Property leases, community facilities, commercial tenancies and licence agreements	Over time	Payment in full in advance or approved credit	Subject to lease agreement terms	Recognised on a straight-line basis over the lease term matched to access right
Sponsorships and Commercial Agreements	Advertising rights, naming rights, event sponsorship and promotional services	Over time or point in time depending on contractual obligations	Contract-specific arrangements	Subject to contract terms	Recognised as contractual obligations are fulfilled
Developer Contributions and Infrastructure Contributions (with performance obligations)	Delivery of agreed infrastructure or community assets where specific obligations exist	Over time or point in time	As specified in agreement	Subject to agreement conditions	Recognised when related performance obligations are satisfied
Infringements	Parking, health, animals, litter and local law fines and penalties	Single point in time	Issued to pay	Not applicable	When payment is received

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

16. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

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

General purpose funding

To collect revenue to allow the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

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

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

Education and welfare

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

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

Housing

To provide and maintain elderly residence

Provision and maintenance of elderly residence housing.

Community amenities

To provide services required by the community.

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

Recreation and culture

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

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

Transport

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

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

Economic services

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

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

Other property and services

To monitor and control council's overhead operating accounts.




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

**CITY OF FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

17. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
By Program:			
Governance	830	41,000	41,000
General purpose funding	190,000	189,000	181,000
Law, order, public safety	2,602,000	2,601,000	2,601,000
Health	698,515	610,500	610,500
Education and welfare	299,454	299,454	354,454
Community amenities	1,351,006	1,239,592	1,237,096
Recreation and culture	7,796,538	7,440,464	8,055,615
Transport	11,877,000	11,387,200	11,387,200
Economic services	917,000	998,127	818,127
Other property and services	1,142,196	1,132,896	1,162,896
	26,874,539	25,939,233	26,448,888

South Fremantle Targeted Underground Power Project (TUPP)

-  Project boundary
-  Transmission line to remain
-  Local council boundary

