

The image shows a scenic view of a hillside in East Fremantle, Western Australia. In the foreground, there is a well-maintained garden with green grass, a white curved path, and several large, bushy purple flowers. A set of concrete stairs with metal railings leads up the hillside. At the top of the hill, there is a building with a yellow facade and a dark roof, possibly a community center or a school. The sky is clear and blue, and several tall palm trees are scattered across the landscape. The text 'Town of East Fremantle Annual Report 2015/16' is overlaid in white on the right side of the image.

Town of East Fremantle
Annual Report 2015/16



TOWN OF
EAST FREMANTLE



Our Vision

Our Town has a distinct identity. We are recognised for the integration of our heritage, lifestyle, environment and community values.

Achieving our Vision

Our vision will be achieved through actions across four Key Focus Areas, which are the core components of our business.

Created in 1897, when it separated from the Town of Fremantle to become an independent local authority, the Town of East Fremantle now boasts a population of approximately 7,700.

It is 3.2 square kilometres in area, bounded to the north and west by the Swan River. To the east it shares a common boundary with the City of Melville, to the south and west with the City of Fremantle.

The Town has a rich history. The local Aboriginal tribe known as Nyungar/Whadjuk obtained food and drinking water from the river foreshore and open grassy areas.

The track that linked the fledgling Swan River Colony based in Fremantle to the future city centre of Perth in 1831 is documented traversing along the East Fremantle cliff edge finishing at the river ferry crossing at Preston Point.

Early European settlement of the area consisted of large farm holdings, however as the colony prospered during the 1890s gold rush the nature of settlement altered dramatically, rapidly changing to a residential area.

The Plympton precinct today contains many charming worker's cottages which were established largely between 1890 and 1910. Riverside was established by the merchant elite of Fremantle and is perched high on the cliffs overlooking the River. Gracious homes, some from the goldrush era, are dotted along the escarpment.

Further northwards, the Preston Point area was developed in the 1950s with houses typical of the period also enjoying the expansive views over the river. The Woodside and Richmond precincts contain many homes dating from 1900–1940.

Acknowledgment of Country

The Town of East Fremantle acknowledges the Whadjuk Nyungar people, who are the traditional custodians of the land in the region. The Town also acknowledges other Aboriginal language groups who live in the area.

Contents

Key points of our Strategic Community Plan	3
Investments and enhancements	3
Strengthening capacity	3
Mayor's Message	4
Chief Executive Officer's Message	5
Elected Members	6
Key Highlights of the Year	8
Statutory Reporting	11
Operations - works and services, parks and reserves	12
Development Services	13
Community Development	16

APPENDIX I

Integrated Planning and Reporting Framework

APPENDIX II

Financial Statements for the year ended 30 June 2016



Key points of our Strategic Community Plan

Investments and enhancements

Six priorities from community engagement, highlighted in the community survey 2014:

- **Footpaths and cycleways:** This area will be addressed in two ways. Priorities relating to recreational walkways and cycleways, and access to community facilities, will be included in the Recreation and Community Facilities Plan (see below). The question of standards (service levels) for footpaths in the Town generally will be included in the major strategic review.
- **Streetscapes:** This area will also be addressed in two ways. First, Council will investigate an urban forestry approach (in conjunction with climate change adaptation). Second, service levels for streetscapes (such as verge maintenance) will be included in the major strategic review.
- **Sport and recreation facilities and activities:** This was the subject of a Recreation and Community Facilities Plan, which was developed in 2015/16 and will be implemented in the following years. It included recommendations for oval redevelopment, club facilities, recreational walkways and cycleways, parks and playgrounds, connectivity and access etc.
- **Parks and playgrounds:** See sport and recreation facilities and activities above
- **Swan River foreshore:** The Swan River Foreshore Master Plan was finalised during 2015/16. Aspects of this did inform the Recreation and Community Facilities Plan. Some recommendations from the Master Plan did assist with climate change adaptation (protection of natural and infrastructure assets) and erosion control.
- **Preservation and promotion of local heritage:** Heritage precinct development, including the Royal George Hotel (see also strategic sites development below).
- **Strategic sites development**
 - Town Centre (includes the Town Hall and ancillary buildings)
 - Former Kaleeya Hospital
 - Woodside Hospital
 - Leeuwin Barracks
 - Royal George Hotel
- **Climate change mitigation and adaptation:** Regional work is being undertaken on this over the first year of the Plan. Following this, a local Climate Change Mitigation and Adaptation Plan will be prepared.
- **Revamp** of the Town's website was undertaken during 2015/16, officially launched in April 2016, social media (Facebook page) and community engagement methods.

Strengthening capacity

Furthermore, a number of initiatives are planned to strengthen the delivery of high quality, affordable services to the community:

- Development of a revenue strategy
- Shared service delivery with the City of Fremantle (or other parties) where beneficial
- Incremental improvement to the standard of asset management planning



"Thank you to everyone who worked with us on our different projects. We look forward to continue working with the community and all our partners to keep building the Town that we can all enjoy".

Mayor's Message

Welcome to the 2015/16 Annual Report.

I am proud to present a report that provides highlights of our achievements in the year under review. In March 2015 we welcomed Gary Tuffin as our new Chief Executive Officer. Gary brings with him many years of experience in local government, and has already proven to be a positive and innovative influence at the Town. His approach to the community is inclusive and engaging and Council is looking forward to working with him into the future.

The Recreation and Community Facilities planning process commenced with SGL Consulting conducting a range of community consultation and engagement initiatives. The information gathered from the community has provided the Town with up-to-date data which is being used to develop a range of strategies with which to move forward. More information about the Strategy is available on our website.

During the year under review, the Town also undertook lengthy discussions with the Department of Defence in relation to the sale of Leeuwin Barracks - the result being that Defence agreed to work with the Town and the community to develop a Vision Plan over the site. Progress was made to conduct a comprehensive consultation process the result of which is to provide potential purchasers with greater certainty over the site's future zoning and development outcomes. Council views the sale and subsequent development of the site as a 'once in a generation' opportunity for stakeholders to collectively assist, map out and shape the future development of this unique riverside site. Defence agreed to work with the Town.

Council also continued to lobby the State Government against their plans for the Perth Freight Link, urging them to find an alternative solution to the current proposed project.

And we were pleased with the news that negotiations were underway to conserve and revitalise the Royal George Hotel site. We are eager to work with the Saracen Property developers in seeing that the Hotel is brought back to life.

During the year, I had the great pleasure of bestowing the title of Freeman to Dr David Nelson. David has worked tirelessly in our community for over 40 years as a general practitioner. An outstanding member of our community, he is known and described as a humble and modest man, he has always strived to stay out of the limelight, yet he has been a constant supportive and giving member of the East Fremantle community.

Congratulations to our newly elected Councillors Andrew McPhail, Andrew White, Luke Nicholson and Dean Nardi and to Cr Cliff Collinson on his re-election. I am sure I speak for all of us when I say that it is a pleasure and privilege to live and serve the community in the Town of East Fremantle.

And thank you to all the staff at the Town of East Fremantle for their continued commitment and professionalism. It is a pleasure to work with you.

Jim O'Neill
Mayor
Town of East Fremantle

"I am excited to be involved in working with a committed team to develop initiatives that promote a strong and inclusive culture".



Chief Executive Officer's Message

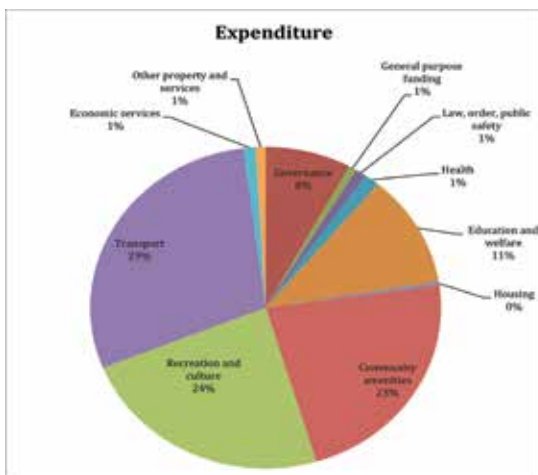
I commenced the role of Chief Executive Officer at the Town of East Fremantle in March 2016, therefore, the credit for the achievements of the past 12 months should be directed to my predecessor Gary Clarke, who has acted in the position for approximately the last 18 months.

In the short time that I have been at the Town, I have met one-on-one with most staff, and community/sporting groups to get a better appreciation of the Town's workforce and the community we serve.

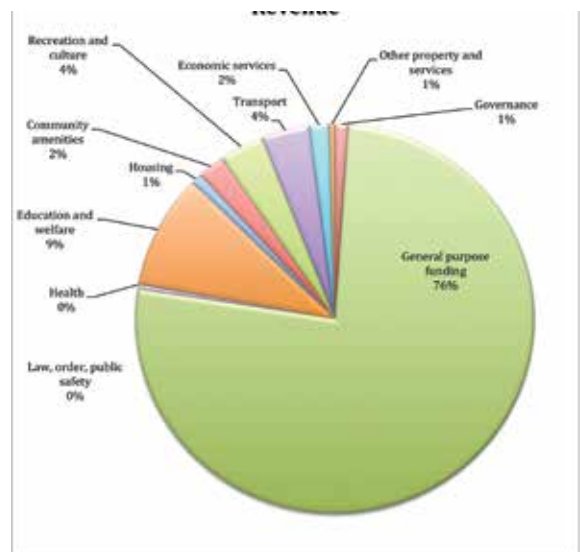
In addition to the many projects and programs identified in our Strategic Community Plan, improvements in the Town's customer services delivery will be a major focus over the next 12 months.

Financially the Town ended the year with a surplus of \$504,265 (30th June 2016), which has been carried forward into the next financial (2016/17) to fund future operations and capital items.

Operating Expenditure by Nature & Type 2015/16



Operating Revenue by Nature & Type 2015/16



I have thoroughly enjoyed my first few months at the Town, and look forward to the exciting times ahead. I would like to thank both the elected members and staff who have welcomed and supported me in settling in to my new position.

I look forward to working with you all in developing the Town to deliver the best possible services and facilities.

Gary Tuffin
Chief Executive Officer
Town of East Fremantle

Elected Members

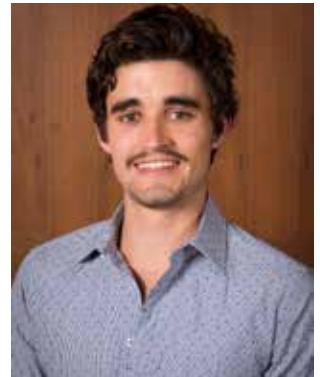


Mayor Jim O'Neill

Preston Point Ward



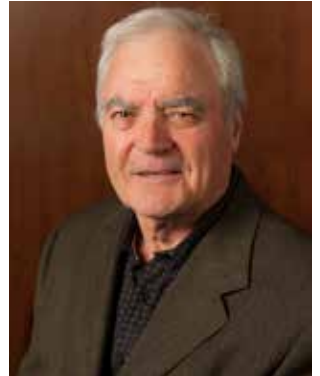
Cr Michael McPhail
(Deputy Mayor)



Cr Luke Nicholson



Cr Andrew White



Cr Tony Watkins

Woodside Ward



Cr Andrew McPhail



Cr Dean Nardi

Richmond Ward



Cr Cliff Collinson



Cr Jenny Harrington

Plympton Ward





The Town is represented by nine elected members made up of the Mayor and eight Councillors, including the Deputy Mayor. Each elected member, including the Mayor and Deputy Mayor, represents one of the Town's four wards, but governs for the entire Town.

The elected representatives work together to provide good governance through effective strategic planning and policy, and by balancing competing interests openly and fairly.

Meeting Attendance

<i>Elected Member</i>	<i>Ordinary Meetings (11 per annum)</i>	<i>Town Planning & Building Committee (11 per annum)</i>	<i>Audit Committee (3 per annum)</i>
Mayor Jim O'Neill	10	9	3
Cr Michael McPhail	10	9	3
Cr Luke Nicholson	7	4	2
Cr Andrew McPhail	8	-	3
Cr Dean Nardi	6	7	-
Cr Tony Watkins	11	-	2
Cr Andrew White	7	6	3
Cr Jenny Harrington	10	-	-
Cr Cliff Collinson	11	11	-
Cr Sian Martin	3	4	-
Cr Maria Rico	3	3	-
Cr Julia Amor	1	1	-



Key Highlights of the Year

Welcome new elected members

Cr Mathew Handcock resigned from Council in February 2015, leaving a vacancy in the Richmond ward. The Department of Local Government allowed the position to remain vacant until the local government elections in October 2015.

Cr Sian Martin and Cr Maria Rico chose not to contest their positions and Cr Julie Amor was narrowly defeated in her seat in Preston Point Ward.

The Town thanks Cr Handcock, Martin and Rico for their commitment, professionalism and dedication they displayed during their term of office as councillors.

The Town welcomed four new Councillors:

- Cr Andrew McPhail – Richmond Ward;
- Cr Dean Nardi – Richmond Ward
- Cr Andrew White – Woodside Ward
- Cr Luke Nicholson – Preston Point Ward

Cr Cliff Collinson standing in the Plympton Ward was re-elected to Council for another term.

New Website

The Town's new look website was launched in April 2016 and provides more functionality and a brighter look. Further development of the website will continue with more information and functions added as required.

Free Movies in the Park

The movies in John Tonkin Park proved popular again. More than 400 people enjoyed the family fun over two nights in April.

East Fremantle Festival

Once again, George Street opened its doors - carnival style - and visitors from far and wide came to savour all it had to offer. The annual East Fremantle Festival on George Street proudly presented by the Town of East Fremantle and supported by Lotterywest, was a tremendous success.

The festival's main stage featured Men and Their Sheds, James Wilson, Ari Davis, and The Charisma Brothers. The two busking platforms featured a range of gifted individuals who were eager to share their talents with the crowd of festival goers.

A range of music talent entertained the crowds, while the George Street Artisan Market, renowned for its quality local arts and craft stalls, brought together a wealth of creative talent from West Australian artisans.

Street food was again popular with the crowds and there was face painting, an open community mural with an Australian outback theme, reptiles and baby animals, and a bouncy castle and PonyCycle toy.



Bestowal – Freeman of the Town

Dr David Nelson has been awarded the title of Freeman of the Town of East Fremantle. In front of friends, family and community at the East Fremantle Yacht Club in June, Mayor Jim O’Neill spoke of a committed and humble man who has dedicated his professional and personal life to community service. The Mayor said that bestowing the honour of Freeman is a rare thing for the Town and that it is granted to eminent citizens to recognise their outstanding service to the community.

An outstanding member of our community, Dr Nelson is known and described as a humble and modest man, he has always strived to stay out of the limelight, yet he has been a constant supportive and giving member of the East Fremantle community for over 40 years. Not only as a committed GP and church member but as a mentor for his children and grandchildren.

Dr Nelson has been a strong advocate for social health issues, such as alcohol and drug addiction.

He founded Nelson Homes to provide a supportive environment for recovering addicts and their families. He has also been with Sea Scouts for many years, is a supportive church member and organist, is a keen sailor and has been a GP in the same practice in East Fremantle for over 40 years.



Mayor Jim O’Neill and Freeman David Nelson

Recreation and Community Facilities Plan (RCFP)

During the development of the RCFP a new innovative community engagement technique was undertaken in the form of a ‘Dialogue Cafe’. This involved inviting members of the various community and sporting groups to attend interactive workshops. In addition to the Dialogue Cafe consultation, an online survey, telephone survey and direct contact with community and sporting groups was also undertaken. Across all these engagement activities, there were common themes that emerged.

This included suggestions relating to the establishment of multipurpose community and recreation facilities, such as the possible redevelopment of East Fremantle Oval and the remainder of the ‘A’ Class reserve it is located on, as well as facilities at Leeuwin; co-location and resource sharing between clubs and associations and neighbouring local governments; the changing demographic of the area and the need to provide facilities and services accordingly; and, maintaining community access and use of the foreshore. The Plan is scheduled to be finalised by the end of 2016.



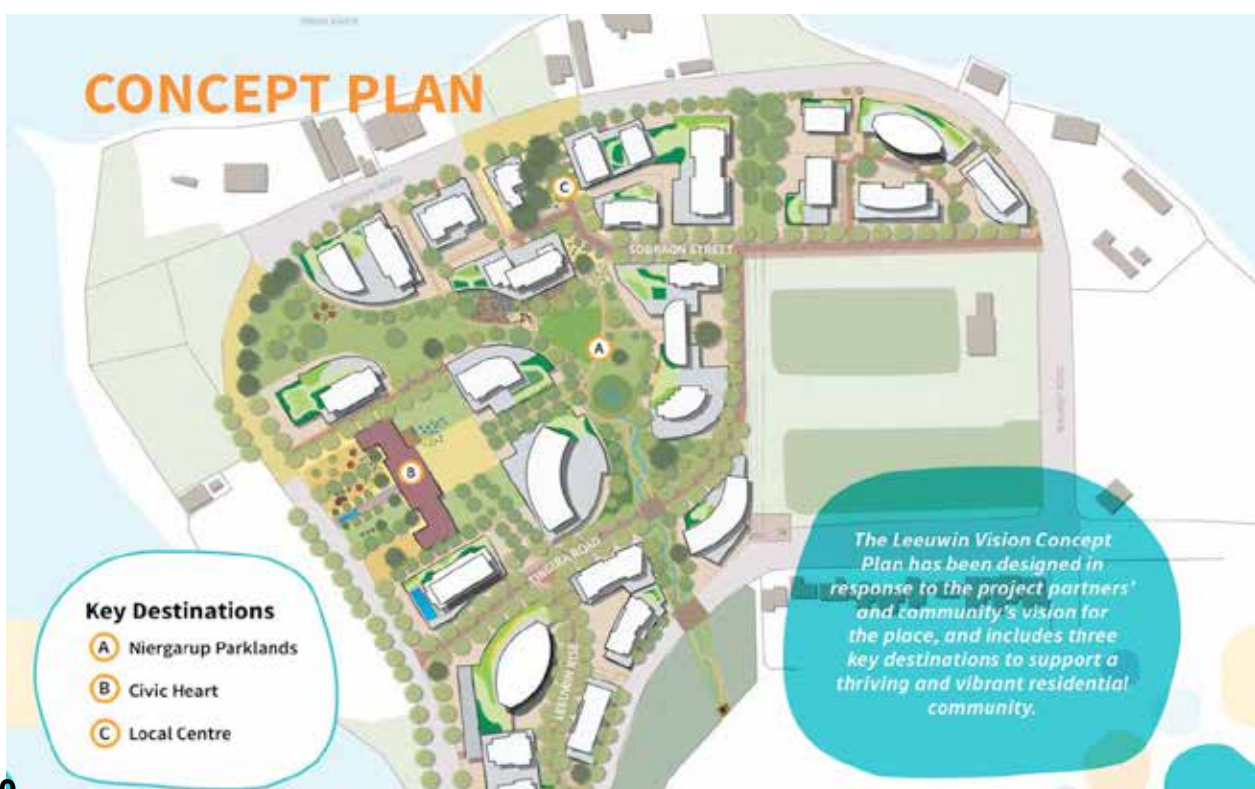


Leeuwin Vision Plan

Following many months of discussion and collaboration, the Town of East Fremantle, with support from the Department of Defence commenced the comprehensive process to establish a future planning vision for the Leeuwin Barracks site. A steering committee was formed to oversee the development of the Visioning Plan, consisting of the Town of East Fremantle, Defence and the Department of Planning representatives. With the services of TPG Placematch to manage the Vision Plan project, a four-day Design Forum (Charrette) was held in September 2016 engaging a range of government agency stakeholders, community, residents and interested groups and individuals.

Not a statutory document, the Vision Plan through the process of engagement, will provide the new owner and the Town with a guide for future planning over the site, as to how the Leeuwin development could be shaped. Once the site has been sold and there is a new landowner, there will be a number of required planning processes to go through to progress any redevelopment of the site by the owners. For example, there will need to be changes to the site's current zoning and structure planning will be undertaken. All of these processes will include further community consultation and engagement with a range of stakeholders.

It is intended that Council will consider endorsing the final Leeuwin Vision Plan and then forward it to Defence at the end of this year for their endorsement, prior to the site being made available for sale on the open market. At the time of writing, the Leeuwin Vision Plan is being finalised for Council endorsement. Once adopted, details will be available on the Town's website .



Statutory Reporting

Record Keeping

The Town has an ongoing commitment to recordkeeping in accordance with the State Records Act 2000 and Records Management Standard AS ISO 15489 which is supported through the use of a corporate electronic document management system (EDRMS). The Town's Recordkeeping Plan details the process for management and disposal of records which are entered into the EDRMS.

National Competition Policy

The application of national competition policy (NCP) in Western Australian local government is guided by the Clause 7 Statement which requires annual reporting of the implementation, application and effects of NCP principles as well as structural reform of public monopolies and legislative review.

Competitive Neutrality

Competitive neutrality principles apply to business activities that generate income in excess of \$200,000 per annum for one or more local governments. In the year under review the Town undertook no activities that met the financial benchmark.

Structural Reform of Public Monopolies

The Town of East Fremantle is not classified as a natural monopoly nor does it conduct any business activities that could be classified as public monopolies.

Legislative Review

All local laws are currently being reviewed for compliance with NCP and all amendments to existing, and all future local laws are monitored to ensure no anti-competitive practices are included. The following new Local Laws were Gazetted during 2015/16:

- Local Government Property and Public Places Local Law 2016
- Cats Local Law 2016
- Dogs Local Law 2016
- Parking Local Law 2016

Freedom of Information

The Freedom of Information Act 1992 allows the public the right to apply for access to information held by the Town of East Fremantle. The Act requires the adoption of a Freedom of Information Statement, to be reviewed annually. A copy of the current statement is available on the Town's website.

During the year under review the Town received three (3) applications for information under the Act.

Disability Access and Inclusion Plan

The Town is committed to facilitating the inclusion of people with disabilities through the improvement of access to its services and facilities. The Town adopted a Disability Access and Inclusion Plan covering 2012 – 2016 on 20 November 2012. In April 2016 a review of this plan commenced with consultation and a request for feedback from all interested residents and visitors to the Town.

The purpose of the review was to assess how well the strategies are overcoming barriers and achieving the outcomes of the DAIP. The information received from the survey assisted the Town to identify if activity undertaken through the plan has achieved the proposed DAIP objectives, and give the Town the opportunity to update our strategies.

The Disability Services Act 1993 (amended 2004) requires local government authorities to review their DAIPs at least every five years. Local government authorities must undertake community consultation, in accordance with the regulations, whenever reviewing or amending a DAIP.

Register of Complaints

Minor breaches of the rules of conduct or a local law adopted in accordance with the Local Government Act 1995 by Council members and any action taken are recorded in a register of complaints. No complaints were received by the Town in the year under review.

Employee Remuneration

In accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 the Shire is required to disclose the number of employees with an annual cash salary of more than \$100,000.

The number of employees with an annual salary entitlement that falls within each band for 2015/16 is as follows:

Salary Band Number of employees:
\$110,000 - \$119,999 – 2
\$160,000 - \$170,000 - 1
\$190,000 - \$199,000 - 1

Operations - works and services, parks and reserves

Capital works program for the year to improve community facilities and Key infrastructure totalled \$815,011 being:

• Buildings	\$ 36,161
• Footpaths	\$108,482
• Parks	\$ 87,229
• Roads	\$395,648
• IT Furniture and Equipment	\$ 22,478
• Plant Replacement	\$165,013

Works completed in 2015/16 as listed in the Budget.

Swan River Foreshore Infrastructure

- Foreshore Management Plan completed
- Expenditure rolled over after the completion of the Foreshore Management Plan was completed early 2016 for Headland Project at John Tonkin Park

Parks Infrastructure

- Town Bore Meter Installation (Completed)
- Shade Sails at Stratford St Park and Norm McKenzie Reserve (Ulrich Park delayed due to underground tanks)

Footpath Infrastructure

- Oakover St (Fletcher to Canning) East Side
- Clayton St (Canning to Fraser) East Side
- Pier St (Preston Pt to Parker) North Side
- Allen St (Fletcher to Canning) East Side
- Walter St (Fraser – 90m South) East Side
- George St (East to Glyde) North Side

Road Infrastructure

- East St Traffic Modification (Canning to Marmion, Joint venture with City of Fremantle)
- Asphalt overlay to Pier St (Preston Pt to Easton); Gill Street; Staton Rd (Canning to Wolsely)
- Town Hall car park asphalt overlay
- Sea Scouts driveway asphalt overlay
- Riverside Road redesign postponed to this financial year
- Habgood St reconstruction postponed to this year and let with other roadworks in public tender

Recreation and Culture

- Demolition of toilet block on eastern side and shelters behind both goals at East Fremantle Oval





Development Services

Utilising best practice principles, our Town Planning and Building Service objective is to cater for the current and future needs of the community in an integrated and sustainable manner

Strategic Planning

During the year the Town continued to review various existing Local Planning Policies and the provisions of Town Planning Scheme –No. 3 and implemented a program to continue to update the various planning provisions to respond to current planning objectives and future challenges. This program involved the following:

Review of the Local Planning Strategy (LPS) and Town Planning Scheme No. 3 (TPS 3)

TPS 3 and the LPS which supports it were adopted over 10 years ago. In 2012/2013 the Town of East Fremantle undertook a review of its existing LPS and adopted a revised strategy to achieve both the long term housing targets set by the State Government and, importantly, to preserve and maintain the high quality residential environment enjoyed by the residents.

Following significant delays with assessment of the LPS by the Department of Planning, the Western Australian Planning Commission (WAPC) advised in 2015 that the Strategy could be advertised for public comment subsequent to some changes to ensure it aligned with more recently released State planning strategies and policies.

Formal advertising was undertaken in May 2016. It is intended that a report on the outcome of advertising and modifications to the Strategy, as a result of submissions and other considerations, will be presented to Council for final adoption in early 2017. The LPS will then require final endorsement by the WAPC.

In 2014 Council prepared and advertised Amendment No. 10 to TPS 3 which included a suite of modifications to TPS 3 which were intended to progress the recommendations of the LPS.

However, as Amendment 10 reflected LPS proposals, which at that time were yet to be advertised, the Minister for Planning subsequently advised that all modifications to TPS 3 that were informed by the strategy were to be deleted. But, the provisions relating to the Royal George Hotel site (in their entirety), a revised Zoning Table and other administrative provisions have been approved and TPS 3 will be updated accordingly. Once adopted by Council and it receives final endorsement by the WAPC it is proposed that a new scheme amendment will be drafted to reflect the LPS and current State Planning Strategies and policies.

Heritage Listing of Properties

The Town's previous Municipal Inventory (MI) was based upon a Heritage Survey conducted in 2006 and contained 1,023 properties of varying significance. A further review was undertaken in October 2013 and included consultation with homeowners and the community advising of the method utilised and the implications of the Heritage review. In 2015/16, the review of all properties on the MI was finalised. All Category A and B listed properties were then progressed to be included on the Heritage List under the Town of East Fremantle Town Planning Scheme No. 3. Category C listed properties are not included in the Heritage List, however they do form a valuable asset to the overall character of the Town.

Leeuwin Barracks

In June 2015, the Department of Defence announced its intention to sell the Leeuwin Barracks in East Fremantle. Recognising the strategic importance of the site, the Town coordinated a partnership with Defence to commence a Master Visioning Planning process to include stakeholders, the community and a multi-disciplinary team of consultants. The focus of this visioning process, a four-day design forum was scheduled take place between 12 - 15 September 2016 to culminate in a final Master Visioning Plan to be presented to Council and the Department of Defence in late 2016/ early 2017.

Statutory Planning

The Planning Department received 151 development approval applications and two Development Assessment Panel (DAP) applications for a range of developments comprising dwellings, additions and alterations, mixed use and change of use applications. The total value of the Planning approvals issued was in excess of \$40 million. In total one development application was refused.

There was one appeal made to the State Administration Tribunal, which as of the end of the financial year had not been determined, however mediation had begun.

Town Planning & Building Committee members Meets monthly and is an official committee of Council with delegated authority	Cr Cliff Collinson as Presiding Member Mayor Jim O'Neil Cr Michael McPhail (Deputy Mayor) Cr Luke Nicholson Cr Andrew White Cr Dean Nardi
Community Design Advisory Committee members Meets as required – this committee has no delegated authority	Cr Cliff Collinson (Chair), Ms Vanessa Collins Mrs Alex Wilson Mr Henty Farrar Mr Nicholas Gurr Mr Jonathan Dalitz Ms Pam Walker

Council acknowledges the contributions and commitment of the Community Design Advisory Committee members in achieving good design outcomes for new development and the protection of heritage values in the Town.

Building Activity in the Town

<i>Building Approvals</i>		
<i>Type of Permit</i>	<i>Number</i>	<i>\$Value</i>
Residential Dwellings	18	15,515,292
Alterations/Additions	31	5,229,881
Swimming Pools/Spas	21	634,759
Outbuildings	9	86,340
Fencing (inc Pool Barriers)	23	276,386
Patios/Alfresco	28	296,199
Carports/Garages/Sheds/Studios	9	235,000
Ancillary Accommodation	5	251,600
Balcony/Verandah	2	68,500
Roofing	10	306,203
Commercial Fitout	6	375,000
Commercial Alterations/Addit	2	1,003,450
Signage	3	16,200
Demolition Permits	10	282,710
Total	177	24,577,520

Development Applications Approved		
Type of Permit	Number	\$Value
Residential Dwellings	10	6,485,290
Alterations/Additions	46	13,379,621
Mixed Use Development	1	2,500,000
Alterations to Mixed Use	1	150,000
Restoration	1	18,000
Ancillary Accommodation	4	264,500
Conversion to Habitable Room	3	61,000
Commercial Fit out	1	60,000
Commercial Alt/Addition	3	16,300,800
Swimming Pools/Spas	12	285,273
Outbuildings/Studios	7	94,840
Patios/Alfresco/Landscaping	20	198,577
Carports/Garages	7	255,300
Balconies/Verandahs/Decks	2	6,200
Fencing/Retaining Walls	7	79,000
Home Occupation	4	0
Changes of Use	5	0
Short Term Accommodation	2	0
Roof Alterations	3	156,640
Solar Panels	1	50,000
Lift	1	65,000
Retrospective Approval	1	0
Demolition	1	30,000
Crossovers/Signage	8	48,000
Total	151	40,488,041





Community Development

Home and Community Care – Town of East Fremantle Neighbourhood Link

Neighbourhood Link works with the WA Assessment Framework to deliver client centered support services across the Town of East Fremantle and the Cities of Cockburn, Fremantle and Melville areas. Referrals are made to Neighbourhood Link through the Regional Assessment Services (RAS).

Client Services

Domestic Assistance - in home support with everyday household tasks -58 clients on 1,489 occasions being a total of 2,673.50 hours of service.

Social Support - activities and support to reduce social isolation, improve participants overall well-being and connection to the community. In 2015/2016 we provided 35 people with bus group outings on 622 occasions providing 4,976 hours of service; 16 people received one on one support services on 439 occasions totalling 921.50 hours of support.

Centre-based Day Care - Our Centre-based program provides clients with intellectual, physical and social stimulation to maintain daily living skills; are interesting and enjoyable and are part of a planned program. 87 participants attended the adult centre at Tricolore on 2,431 occasions totalling 12,111 hours of service. 21 participants attended the young adult program on 166 occasions giving 1,021 hours of service.

Transport - Our transport programs provides support to travel within the local community for clients to engage in group activities such as Centre-based day Care and shopping/banking. In 2015/2016 122 participants received support on 5, 636 occasions - a total of 5,636 one way transport trips.

Service Under Review

In November 2015 the Quality Review team from CommunityWest as part of the HACC contractual obligations found that the expected outcomes of the service were met. Service Users were complimentary about the level of service provided to them and described the organisation as being welcoming and inclusive.

During the same month, the Council undertook a general review of the overall program including financial and service delivery data processes, management and administrative processes. This review found that although the service operates effectively there is room to update and improve the operational and administrative functions of the service. In the areas of client choice, client control, independence and re-ablement, a number of improvements will be initiated.

The report also advised of the need to prepare the service for the proposed implementation of a new Commonwealth service model and the National Disability Insurance Scheme (NDIS). However, at the current time it is very unclear what this may actually mean to our services.

Community Health

Health and community services encompasses legislation including Health Act 1911 (as amended), Environmental Protection Act 1986 (as amended), Food Act 2008, Disability Services Act 1993, Emergency Management Act 2005, Tobacco Products Control Act 2006 and regulations made pursuant to those Acts; and Health Local Laws.

It also implements the Disability Access and Inclusion Plan, liaises with Fremantle Library Services, Sumpton Green Community Centre, Glyde-In Community Centre, East Fremantle Community Health Services, East Fremantle Neighbourhood Watch and the East Fremantle Festival.

Technical matters coordinated by health and community services include environmental monitoring and projects such as the APACE subsidised native plant scheme, strategic waste management and liaison with sporting clubs in respect of grant opportunities and projects such as Kidsport.

Please see the following achievements in the 2015-16 financial year.

Waste Management & Recycling

The tonnes of waste collected for composting totalled 2,218 tonnes. Recycling totalled 1,040 tonnes. The waste composting and recycling program at the SMRC's Regional Resource Recovery Centre continues to provide agreed services to the Town of East Fremantle.



Garage Sale Trail

Introduced to Western Australia on Saturday 26 October 2013, Town of East Fremantle, with funding support from the Office of the Waste Authority has promoted and endorsed a number of garage sales each year with many businesses and residents participating.

Quick facts – 2015 = 31 total sales and stalls with an average of 1,025 shopper attendances. It is estimated that each seller sells an average volume of 8 standard shopping trolleys which results in a lot of items being re-distributed on the day.

Neighbourhood Watch

After at least 15 years of Neighbourhood Watch coordination, Noel Nimmo has decided to call it a day. Neighbourhood Watch has become more and more reliant on the website and e-news rather than the old fashioned committee writing and delivering their own newsletters to the Town and consequently residents' interest is not at the same level as in years gone by. Therefore the Town of East Fremantle will no longer be a part of Neighbourhood Watch in the current format.

The Town thanks all who have been involved in Neighbourhood Watch in East Fremantle over the years, especially Noel and Myrtle Nimmo, area coordinators Barry Renouf and Rod Francis, long time committee member Joan Donaldson, and all previous WALGA Roadwise, Neighbourhood Watch and Fremantle community police attendees.

East Fremantle Child Health Clinic

The East Fremantle Child Health Clinic continues to service families in the East Fremantle and Fremantle areas. The clinic is operated by the Child and Adolescent Community Health Section of the Department of Health. Currently, there are 2 child health nurses which share duties in East Fremantle. This year there were 45 'new parent groups' and 7 'Introduction to solid food' groups.

East Fremantle Play Group

The East Fremantle Playgroup, a member of Playgroup WA, shares the Sumpton Green Community Centre with the East Fremantle Child health Clinic. Families with children from between 0-5 years are welcome, and new families have a "2 free trial visits" option before enrolling.

Kidsport

Funding from the Department of Sport and Recreation Kidsport program assisted 30 children playing a variety of sports across the Town.

Joint Library Service – Fremantle and East Fremantle

Library services to the Town are provided by the City of Fremantle Library Services. There has been a slight increase in Town of East Fremantle residents, students and workers membership to the library, 1,438 up 14 members from the previous year.

The library is participating in a project with the South West Metropolitan Region (Fremantle, East Fremantle, Melville, Cockburn, Kwinana and Rockingham) to investigate possibilities for shared service provision. A number of potential areas have been identified and investigation of the feasibility of those will be ongoing during the coming year.

The Fremantle Toy Library also supports the Town, with 42 individual East Fremantle members and 26 family members in the year under review.





Appendix I

Key Focus Area	Community strength and identity	Infrastructure and waste services	Built and natural environment	Governance and leadership
Aspirations	Our community is strong, safe and close-knit: we support and foster a sense of identity and belonging	The needs of our community are met through the provision of high quality infrastructure and waste services	Our town is developing in harmony with our unique character within the fabric of the region's built and natural environment	The community is served by a leading and listening local government
Services	<ul style="list-style-type: none"> ■ Library ■ Arts ■ Events ■ Community health and safety ■ HACC 	<ul style="list-style-type: none"> ■ Parks ■ Street trees ■ River and foreshore ■ Roads, drainage, footpaths, cycleways ■ Public transport (bus shelters etc) ■ Waste management services ■ Council-owned buildings ■ Recreational facilities 	<ul style="list-style-type: none"> ■ Land use planning ■ Strategic sites development ■ Building Services ■ Heritage protection 	<ul style="list-style-type: none"> ■ Councillor support and meetings ■ Compliance ■ Risk Management ■ Local Laws ■ Policies and procedures ■ Communications and community engagement ■ Customer service ■ Advocacy ■ Strategic and corporate planning ■ Stewardship of assets ■ Financial management ■ Skilled, effective, and equipped workforce

Strategic Community Plan 2015-2025 – Score Card 2015/16

KEY FOCUS AREA 1: Community strength and identity					
Aspiration: Our community is strong, safe and close-knit: we support and foster a sense of identity and belonging					
Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
1.1 Access to information resources, culture and entertainment	<ul style="list-style-type: none"> Provide access to the City of Fremantle library which is a joint enterprise with the City and the Library Board of WA. 	The Town contributed funding to the City of Fremantle Library service.	Maintain	Yes	Council continued to providing funding to the City of Fremantle to provide a library service to residents of the Town of East Fremantle.
1.2 Celebrate and develop of the community's identity through arts and culture	<ul style="list-style-type: none"> Purchase public art as a means of building community spirit. 	The Town provided an annual allocation to the Public Art Fund reserve	Maintain	No	No purchases occurred in 2015/16 – A public art strategy will be developed to guide future purchases.
	<ul style="list-style-type: none"> Provide or support the provision of selected community events. Promote local events 	The Town funded the East Fremantle Festival December 2015 and two outdoor Film Nights in Feb and 2016.	Maintain	Yes East Fremantle Festival December 2015 Two outdoor film nights in April 2016	These events were promoted by the Town through its website, Facebook page and local media.
1.3 Protection of community health, safety and amenity	<ul style="list-style-type: none"> Administer laws and undertake activities to ensure public health is maintained in the Town. 	Environmental Health Services	Maintain	Yes	

KEY FOCUS AREA 1: Community strength and identity

Aspiration: Our community is strong, safe and close-knit: we support and foster a sense of identity and belonging

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
	<ul style="list-style-type: none"> Enforce relevant acts, legislation and local laws to ensure the safety and amenity of local residents and visitors. 	Ranger services provided 8 am to 4 pm, Monday to Sunday excluding Christmas Day and Boxing Day	Maintain	Yes	<p>The Review of all Local laws commenced –during the year the following local law was Gazetted:</p> <ul style="list-style-type: none"> Penalty Units <p>With the following awaiting Gazetted:</p> <ul style="list-style-type: none"> Dog Local Law Cat Local Law Parking Local Law Public Places & Local Government Property Local Law
1.4 Provision of HACC Services in the Town	<ul style="list-style-type: none"> The Town of East Fremantle Neighbourhood Link provides a comprehensive range of home and community care services (HACC) to the frail, aged and people with disabilities living in the region. 	The Community Services team, volunteers and students provided home help, home maintenance, social support, in-home respite, centre based respite, community bus service, social outings, counselling, advocacy and referral, centre based day care, assessment, case planning, review and co-ordination.	Maintain	Yes	An internal review of the service in November 2015 highlighted the need to update and improve administration process and procedures.

KEY FOCUS AREA 2- Infrastructure and waste services

Aspiration: The needs of our community are met through the provision of high quality infrastructure and waste services

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
2.1 Provide amenity, recreation opportunities and enhancement of the natural environment.	<ul style="list-style-type: none"> Provide and manage parks and open space 	Management and development of parks, open spaces and public places including 5.5 km of parks paths.	Increase to be determined through a Recreation and Community Facilities Plan, tested against overall priorities (2015/16)	Yes	A comprehensive Recreation and Community Facilities Plan commenced to provide Council with a guide to future investment in recreation and community facilities.
	<ul style="list-style-type: none"> Provide and manage a network of street trees 	The Town manages and maintains a diverse range of well-developed trees of both native and exotic species of various ages and sizes.	Maintain. However, urban forest to be considered in conjunction with the Climate Change Mitigation and Adaptation Plan.	Yes	All street trees were mapped and a program for replacement and installation commenced – an additional 100 trees were planted during the year under review.
	<ul style="list-style-type: none"> Maintain foreshore amenity and protection against erosion and flooding 	Maintain 3 km of River foreshore incl. approx. 1-2 km of river wall Work with Swan River Trust to ensure public access to the river is protected or enhanced	Increase to be determined in conjunction with the Swan River Foreshore Masterplan	Yes	Town of East Fremantle Foreshore Masterplan adopted by Council to guide future works along the Swan River

KEY FOCUS AREA 2- Infrastructure and waste services

Aspiration: The needs of our community are met through the provision of high quality infrastructure and waste services

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
			(2015/16)		foreshore in East Fremantle
2.2 Ensure the Town is connected, safe and accessible	<ul style="list-style-type: none"> Manage and maintain roads, drainage, footpaths and cycleways 	Maintenance and renewal of infrastructure assets: <ul style="list-style-type: none"> – 46 km of sealed roads – 56 km footpaths – Pedestrian access and traffic management strategies being developed and implemented 	Maintain	Yes	Works program determined in the Four Year Budget
	<ul style="list-style-type: none"> Provide and manage bus shelters Provide public information on transport 	26 Bus shelters are provided and maintained. Grant for renewals - approx. one per year Public transport information is provided to the community, including Travelsmart map	Maintain	Yes	Department of transport undertook Bus Stop Accessibility works.
2.3 Promoting sustainable environmental management and use of sustainable resources	<ul style="list-style-type: none"> Provide waste collection and disposal services 	Disposal of waste to Southern Metropolitan Regional Council facility for diversion (approx. 85%) prior to transfer of 15% residual waste to landfill	Maintain	Yes	Member of the South Metropolitan Regional Council
2.4 Council owned buildings for public use are maintained, accessible and safe	<ul style="list-style-type: none"> Provide facilities for sport and recreation 	The Town provides and maintains the East Fremantle (EF) Oval precinct. The Town provides other buildings for recreational use including: <ul style="list-style-type: none"> – EF Lacrosse Club and change 	Increase to be determined through a Recreation and Community Facilities Plan,	Yes	A comprehensive Recreation and Community Facilities Plan commenced to provide Council with a guide to future

KEY FOCUS AREA 2- Infrastructure and waste services

Aspiration: The needs of our community are met through the provision of high quality infrastructure and waste services

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
		rooms <ul style="list-style-type: none"> – EF Tennis Club Pavilion and Courts – EF Tricolore Soccer Club community centre and change rooms – Fremantle Sea Scouts Hall and Boat sheds – Leeuwin Sea Scouts Club Rooms – EF Bowling Club - Club House – EF Croquet Club - Club House – Administration and Function Centres for the East Fremantle Yacht Club and the Swan Yacht Club 	tested against overall priorities (2015/16)		investment.
	<ul style="list-style-type: none"> ■ Provide buildings for other public purposes 	Annual maintenance and renewal of building assets including: <ul style="list-style-type: none"> – Town Hall and Administration Building – Dovenby House (HACC Administration) – EH Gray Building (Independent Mid-wife Centre) – Sumpton Green Child Health Clinic – Glyde In Community Learning Centre – Old Police Station (potential refurbishment and lease) – J P MacKenzie Building (East 	Maintain	Yes	Plans commenced to refit the Town Hall. Work commenced on refit of Old Police Station.

KEY FOCUS AREA 2- Infrastructure and waste services

Aspiration: The needs of our community are met through the provision of high quality infrastructure and waste services

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
		<ul style="list-style-type: none"> Fremantle Kindergarten – Richmond Pre-primary School – Works depot (comprising administration and store building, vehicle garage and pump house) – Five residential units – Commercial building (128 George St) – Zephyr Kiosk (Zephyr Cafe and Kiosk) 			

KEY FOCUS AREA 3 - built and natural environment

Aspiration: Our Town is developing in harmony with our unique character within the fabric of the region's built and natural environment

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
3.1 Facilitating sustainable growth whilst maintaining urban and natural character	<ul style="list-style-type: none"> ■ Strategic Land Use Planning and Development applications 	<p>Local Planning Strategy lodged with WAPC</p> <p>Scheme Amendments 10 & 11</p> <p>Administer Town Planning Scheme.</p> <p>Provide general town planning advice on demand</p>	Maintain	Yes	Town Planning Scheme 10 approved with modifications.

KEY FOCUS AREA 3 - built and natural environment

Aspiration: Our Town is developing in harmony with our unique character within the fabric of the region's built and natural environment

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
	<ul style="list-style-type: none"> Develop Strategic Sites (identified as Special Control Areas in the Local Planning Strategy) to achieve sustainable and strategic objectives for economic prosperity and urban amenity. <p>The Town will apply a combination of appropriate planning instruments, advocacy/facilitation and possibly some direct development activity (Town Hall and ancillary buildings).</p>	<p>(a) Underdeveloped strategic sites considered as having medium to high density housing potential:</p> <ul style="list-style-type: none"> Leeuwin Army Barracks (long term strategic plan). Woodside Hospital and Moss Street (nursing) Lodge (medium term strategic plan). <p>(b) The former Kaleeya Hospital has undeveloped potential for aged care and medical services</p> <p>(c) The Royal George Hotel site has undeveloped mixed use potential for heritage preservation, residential, commercial and retail activities</p> <p>(d) Town Centre (includes the Town Hall and ancillary buildings) has undeveloped potential for a range of mixed uses - commercial, retail, civic and community services</p>	Increase: Substantial progress towards strategic sites development	Yes	<p>Defence advise of intention to sell Leeuwin Barracks – negotiations commenced to conduct vision planning process over the site.</p> <p>Kaleeya Hospital approved for Aged Care.</p> <p>Department of Lands undertaking lease negotiations for the Royal George Hotel with developer.</p>
3.2 Maintain a safe and healthy built and natural environment	<ul style="list-style-type: none"> Building control 	Process building permit applications within required time frames.	Maintain	Yes	Private swimming pool inspections to commence in 2016/17
3.3 Community values and protects its built	<ul style="list-style-type: none"> Heritage planning 	Maintain planning controls to ensure new developments are appropriate to the built heritage and character of	Possible increase, subject to a	Yes	Plans commenced to refit the Town Hall.

KEY FOCUS AREA 3 - built and natural environment

Aspiration: Our Town is developing in harmony with our unique character within the fabric of the region's built and natural environment

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
heritage	<ul style="list-style-type: none"> ■ Identify and protect significant heritage buildings ■ Undertake projects to preserve the Town Hall precinct 	<p>streetscapes</p> <p>Undertake projects to protect heritage values</p>	<p>business case to consider purchase and renovation of the Old Post Office building to preserve the heritage of the Town 2016/17 onwards</p> <p>Refit the Town Hall for office accommodation for staff and civic purposes.</p> <p>Refit the Old Police Station for possible office accommodation and commercial tenancy or civic use.</p>		<p>Old Post Office (Main Roads building) unavailable for purchase.</p> <p>Work commenced on refit of Old Police Station.</p>

KEY FOCUS AREA 4 - Governance and leadership

Aspiration: The community is served by a leading and listening Local Government

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
4.1 Effective Leadership and Governance	<ul style="list-style-type: none"> Maintain a high standard of governance and accountability 	<p>Provide timely information, advice, agendas, minutes to enable effective decision making:</p> <ul style="list-style-type: none"> agendas available at least 6 days prior to meetings minutes available at least 5 (committee) and 10 (Council) days after meetings <p>Maintain a register of delegations</p> <p>Conduct Council elections by Electoral Commission</p> <p>Governance Training</p>	<p>Increase:</p> <ul style="list-style-type: none"> Reviewed delegations Reviewed agenda format and distribution Governance training (more) Reviewed Committee Structure in conjunction with review of standing orders 	Yes	Training offered to elected members in relation to Town Planning; governance; code of conduct, standing orders
	<ul style="list-style-type: none"> Develop and implement a Strategic Community Plan, Corporate Business Plan and an integrated suite of informing strategies, in accordance with the Local Government Act 1995 	<p>Integrated Planning and Reporting (IPR) Framework in place:</p> <ul style="list-style-type: none"> Strategic Community Plan and Corporate Business Plan operative Major strategic review scheduled 2015/16 Alignment with Long Term Financial Plan, Workforce Plan and Asset Management Plans 	<p>Increase:</p> <p>Improved IPR through strategic review and work on priority informing strategies in: recreation and community facilities; foreshore;</p>	Yes	Foreshore Master Plan draft prepared for adoption by Council; Recreation & Community Facilities Plan underway

KEY FOCUS AREA 4 - Governance and leadership

Aspiration: The community is served by a leading and listening Local Government

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
			climate change mitigation and adaptation; and revenue strategy		
4.2 Well managed organisation meeting all compliance requirements	<ul style="list-style-type: none"> Compliance with all Acts and Regulations and common law requirements governing the actions and activities of local government 	Submit Compliance Return to DLGC by 31 March each year indicating that all requirements have been complied with or in the event of any areas of non-compliance evidence of action to become compliant.	Maintain	Yes	
	<ul style="list-style-type: none"> Provide assurance that all required risk management processes are in place and managed to a high standard 	Manage Section 17 of the Local Government Audit Regulations 1996 risk management process	Increase: Business continuity planning	Yes	Risk Management foundations project commenced in accordance with Section 17
4.3 Efficient regulatory tools to enhance public safety and amenity	<ul style="list-style-type: none"> Maintain a suite of up to date local laws to regulate nuisances, enhance public safety and to give effect to the functions of the Town 	The Local Law Register indicates 45 local laws in force in the Town all of which are overdue for review under S3.16 of the Local Government Act 1995	Increase: Complete review of local laws pursuant to S3.16 of the Local Government Act 1995	Yes	<p>The following Local Law was gazetted during the year under review:</p> <ul style="list-style-type: none"> Penalty Units <p>Those reviewed and awaiting Gazettel:</p> <ul style="list-style-type: none"> Dog Local Law Cat Local Law Parking Local Law

KEY FOCUS AREA 4 - Governance and leadership

Aspiration: The community is served by a leading and listening Local Government

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
					<ul style="list-style-type: none"> Public Places & Local Government Property Local Law
4.4 Clear policies and procedures to guide the planning and operations of the Council	<ul style="list-style-type: none"> Maintain up to date policies and procedures to ensure clarity of the Council's intent on planning and operational matters 	Policies and procedures in place and reviewed in accordance with the relevant Acts and Regulations	Increase: Review policies and procedures in 2015/16	Yes	Ongoing
4.5 Effective communications and community engagement	<ul style="list-style-type: none"> Consult and engage with the community on issues, projects and decisions that affect them Conduct workshop and information sessions on key strategic issues Publish information on issues on the Council website, newsletter and in local media 	<p>Councillors and staff inform, consult and engage on key issues of interest to the community.</p> <p>Workshops and information sessions are conducted as required.</p> <p>Website and social media information is provided on an on-going basis.</p> <p>Regular media releases</p> <p>The Council newsletter is published quarterly</p>	Increase: develop a Communication Plan in 2015/16 to include a communications strategy, branding and stakeholder relationships. It will also include upgrading the website and use of social media	Yes	Communication plan under review; branding strategy endorsed by Council, new Town website launched with increased functionality and upgrades; social media ongoing; review of newsletter format to include e-News
4.6 High standards of service to the Town's customers	<ul style="list-style-type: none"> Provide customer service to the community via the front counter, telephone and email 	Provide direct customer service via telephone or in person between 8.30am and 5 pm Monday to Friday	Maintain	Yes	Customer service training provided for all staff members

KEY FOCUS AREA 4 - Governance and leadership

Aspiration: The community is served by a leading and listening Local Government

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
4.7 Effective leadership and governance	<ul style="list-style-type: none"> Advocate on key issues and work with other local authorities and organisations for the benefit of the community 	<p>Advocate on key issues of community interest and build relationships with key stakeholders to better understand issues, influence decisions and lobby for funding</p> <p>Collaborate with neighbouring Councils and other agencies where appropriate for improved services</p>	Maintain	Yes	Council continues to work with neighbouring councils to advocate on key issues such as the Perth Freight Link.
4.8 Prudent management of Council infrastructure and building assets to support the delivery of services that meet community needs	<ul style="list-style-type: none"> Manage assets for the benefit of present and future communities 	Maintenance and upgrade of assets in accordance with the relevant Asset Management Plans	Increase: Improve standard of asset management planning, possibly as a shared service with City of Fremantle	Yes	Asset Management Plan
4.9 A financially sustainable Town	<ul style="list-style-type: none"> Provide financial management services to enable the Town to sustainably provide services to the community 	<p>Financial management that meets all legislative requirements</p> <p>Long term financial plan</p> <p>Annual report on the financial activities and position of the Town</p> <p>Notify annual rates and fees through annual budget process</p> <p>Provide financial information to</p>	Increase: prepare a Revenue Strategy to guide the raising of revenue on a sustainable basis	No	No work has been undertaken in this area at the date of reporting.

KEY FOCUS AREA 4 - Governance and leadership

Aspiration: The community is served by a leading and listening Local Government

Outcomes	How the Town contributes	Activity /Action	Level in 4 years	Did we meet the target?	Comment
		enable modelling of the cash and benefits of strategic scenarios and delivery options			
4.10 A strong, capable organisation with appropriately qualified staff supported with the necessary tools	<ul style="list-style-type: none"> ■ Manage and develop the Town's workforce to enable delivery of services to the community ■ Provide IT infrastructure and resources to effectively support the delivery of services ■ Manage and operate a fit for purpose vehicle fleet, plant and equipment 	<p>Workforce plan in place, payroll system maintained, training and development as required</p> <p>Administer the requirements of the Occupational Health and Safety Act</p> <p>Provide and maintain IT system (support is outsourced)</p> <p>Provide fit for purpose vehicle fleet, plant and equipment</p>	<p>Consider the purchase of services from neighbouring local governments e.g. project management, design, mapping, finance, HR and organisational development – this is anticipated to provide a cost effective way of increasing the level of service to Town residents</p>	Yes	<p>Commencement of an organisation capability and capacity assessment (organisation review. Workforce Plan includes HR management position; consistent processes development for staff recruitment;</p> <p>Website provides information about all advertised vacant positions</p>



TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

TABLE OF CONTENTS

Statement by Chief Executive Officer	
Statement of Comprehensive Income by Nature or Type	1
Statement of Comprehensive Income by Program	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Financial Report	7 to 50
Supplementary Ratio Information	51
Independent Audit Report	52 to 53

Principal place of business:
 135 Canning Highway, East Fremantle
 WA 6158

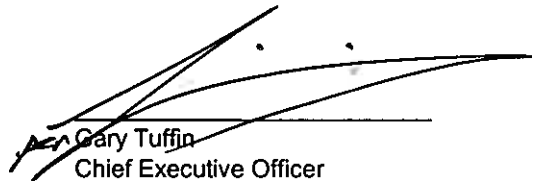
**TOWN OF EAST FREMANTLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Town at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the / day of DECEMBER 2016


Gary Tuffin
Chief Executive Officer

TOWN OF EAST FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	6,893,029	6,836,000	6,383,946
Operating grants, subsidies and contributions	30	1,027,294	1,025,300	1,252,806
Fees and charges	29	1,295,417	1,184,000	1,307,954
Interest earnings	2(a)	220,100	162,000	180,179
Other revenue	2(a)	117,597	87,000	69,094
		<u>9,553,437</u>	<u>9,294,300</u>	<u>9,193,979</u>
Expenses				
Employee costs		(3,031,590)	(3,214,600)	(3,186,369)
Materials and contracts		(3,843,726)	(3,954,100)	(3,460,481)
Utility charges		(387,623)	(399,100)	(380,908)
Depreciation on non-current assets	2(a)	(2,533,323)	(1,004,000)	(999,143)
Interest expenses	2(a)	0	0	(2,205)
Insurance expenses		(242,092)	(276,800)	(287,525)
Other expenditure		(155,731)	(112,200)	(193,747)
		<u>(10,194,085)</u>	<u>(8,960,800)</u>	<u>(8,510,378)</u>
		(640,648)	333,500	683,601
Non-operating grants, subsidies and contributions	30	353,781	0	30,000
Profit on asset disposals	21	33,818	29,000	19,673
(Loss) on asset disposals	21	(5,651)	(6,000)	(2,191)
Net result		(258,700)	356,500	731,083
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	222,818	0	39,679,361
Total other comprehensive income		222,818	0	39,679,361
Total comprehensive income		(35,882)	356,500	40,410,444

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

TOWN OF EAST FREMANTLE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		103,643	72,200	100,031
General purpose funding		7,294,175	7,164,300	6,994,519
Law, order, public safety		28,968	31,700	32,542
Health		12,288	11,200	10,484
Education and welfare		901,556	903,300	899,948
Housing		85,760	86,800	76,816
Community amenities		212,329	181,800	181,520
Recreation and culture		345,933	356,000	365,446
Transport		373,253	313,900	335,917
Economic services		151,755	141,700	165,971
Other property and services		43,777	31,400	30,785
		<u>9,553,437</u>	<u>9,294,300</u>	<u>9,193,979</u>
Expenses	2(a)			
Governance		(806,186)	(884,200)	(760,063)
General purpose funding		(75,599)	(71,900)	(68,797)
Law, order, public safety		(102,663)	(132,300)	(128,562)
Health		(143,514)	(178,800)	(134,601)
Education and welfare		(1,161,379)	(1,216,000)	(1,128,849)
Housing		(28,827)	(35,500)	(31,244)
Community amenities		(2,302,292)	(2,420,300)	(2,276,087)
Recreation and culture		(2,403,887)	(1,641,800)	(1,471,687)
Transport		(2,962,635)	(2,172,100)	(2,179,008)
Economic services		(113,703)	(125,300)	(142,246)
Other property and services		(93,400)	(82,600)	(187,029)
		<u>(10,194,085)</u>	<u>(8,960,800)</u>	<u>(8,508,173)</u>
Finance costs	2(a)			
Governance		0	0	(1,378)
Transport		0	0	(827)
		<u>0</u>	<u>0</u>	<u>(2,205)</u>
Non-operating grants and Profit & Loss				
Non-operating grants, subsidies and contributions	30	353,781	0	30,000
Profit on disposal of assets	21	33,818	29,000	19,673
(Loss) on disposal of assets	21	(5,651)	(6,000)	(2,191)
		<u>381,948</u>	<u>23,000</u>	<u>47,482</u>
Net result		<u>(258,700)</u>	<u>356,500</u>	<u>731,083</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	222,818	0	39,679,361
Total other comprehensive income		<u>222,818</u>	<u>0</u>	<u>39,679,361</u>
Total comprehensive income		<u>(35,882)</u>	<u>356,500</u>	<u>40,410,444</u>

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

**TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,577,986	3,314,488
Trade and other receivables	4	<u>235,259</u>	<u>244,091</u>
TOTAL CURRENT ASSETS		<u>4,813,245</u>	<u>3,558,579</u>
NON-CURRENT ASSETS			
Other receivables	4	70,873	83,622
Property, plant and equipment	5	16,637,084	16,768,615
Infrastructure	6	<u>54,253,746</u>	<u>55,668,000</u>
TOTAL NON-CURRENT ASSETS		<u>70,961,703</u>	<u>72,520,237</u>
TOTAL ASSETS		<u>75,774,948</u>	<u>76,078,816</u>
CURRENT LIABILITIES			
Trade and other payables	7	540,249	861,443
Provisions	8	<u>677,822</u>	<u>641,946</u>
TOTAL CURRENT LIABILITIES		<u>1,218,071</u>	<u>1,503,389</u>
NON-CURRENT LIABILITIES			
Provisions	8	<u>58,872</u>	<u>41,540</u>
TOTAL NON-CURRENT LIABILITIES		<u>58,872</u>	<u>41,540</u>
TOTAL LIABILITIES		<u>1,276,943</u>	<u>1,544,929</u>
NET ASSETS		<u>74,498,005</u>	<u>74,533,887</u>
EQUITY			
Retained surplus		22,127,123	23,978,173
Reserves - cash backed	12	3,452,085	1,859,735
Revaluation surplus	13	<u>48,918,797</u>	<u>48,695,979</u>
TOTAL EQUITY		<u>74,498,005</u>	<u>74,533,887</u>

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

**TOWN OF EAST FREMANTLE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		22,705,262	2,401,563	9,016,618	34,123,443
Comprehensive income		731,083	0	0	731,083
Net result		<u>0</u>	<u>0</u>	<u>39,679,361</u>	<u>39,679,361</u>
Changes on revaluation of assets	13	<u>731,083</u>	<u>0</u>	<u>39,679,361</u>	<u>40,410,444</u>
Total comprehensive income		<u>731,083</u>	<u>0</u>	<u>39,679,361</u>	<u>40,410,444</u>
Transfers from/(to) reserves		541,828	(541,828)	0	0
Balance as at 30 June 2015		23,978,173	1,859,735	48,695,979	74,533,887
Comprehensive income		(258,700)	0	0	(258,700)
Net result		<u>0</u>	<u>0</u>	<u>222,818</u>	<u>222,818</u>
Changes on revaluation of assets	13	<u>(258,700)</u>	<u>0</u>	<u>222,818</u>	<u>(35,882)</u>
Total comprehensive income		<u>(258,700)</u>	<u>0</u>	<u>222,818</u>	<u>(35,882)</u>
Transfers from/(to) reserves		(1,592,350)	1,592,350	0	0
Balance as at 30 June 2016		22,127,123	3,452,085	48,918,797	74,498,005

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

**TOWN OF EAST FREMANTLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,882,786	6,836,000	6,362,532
Operating grants, subsidies and contributions		1,045,589	1,025,300	1,252,806
Fees and charges		1,295,417	1,009,300	1,034,943
Interest earnings		220,100	139,000	180,179
Goods and services tax		514,241	266,000	473,623
Other revenue		117,597	87,000	69,094
		<u>10,075,730</u>	<u>9,362,600</u>	<u>9,373,177</u>
Payments				
Employee costs		(2,946,617)	(3,214,600)	(3,383,730)
Materials and contracts		(4,196,685)	(3,833,830)	(3,078,652)
Utility charges		(387,623)	(399,100)	(380,908)
Interest expenses		0	0	(63,179)
Insurance expenses		(242,092)	(276,800)	(287,525)
Goods and services tax		(500,712)	(243,000)	(92,608)
Other expenditure		(155,731)	(135,200)	(193,747)
		<u>(8,429,460)</u>	<u>(8,102,530)</u>	<u>(7,480,349)</u>
Net cash provided by (used in) operating activities	14(b)	<u>1,646,270</u>	<u>1,260,070</u>	<u>1,892,828</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(223,652)	(890,000)	(461,375)
Payments for construction of infrastructure		(591,359)	(1,161,600)	(1,375,274)
Non-operating grants, subsidies and contributions		353,781	0	30,000
Proceeds from sale of fixed assets		78,458	91,000	38,950
Net cash provided by (used in) investment activities		<u>(382,772)</u>	<u>(1,960,600)</u>	<u>(1,767,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		0	0	(41,568)
Proceeds from new debentures		0	500,000	0
Net cash provided by (used in) financing activities		<u>0</u>	<u>500,000</u>	<u>(41,568)</u>
Net increase (decrease) in cash held		1,263,498	(200,530)	83,561
Cash at beginning of year		3,314,488	2,248,330	3,230,927
Cash and cash equivalents at the end of the year	14(a)	<u><u>4,577,986</u></u>	<u><u>2,047,800</u></u>	<u><u>3,314,488</u></u>

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

**TOWN OF EAST FREMANTLE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	<u>523,436</u> 523,436	<u>119,000</u> 119,000	<u>250,948</u> 250,948
Revenue from operating activities (excluding rates)			
Governance	105,147	72,200	100,031
General purpose funding	401,146	328,300	610,573
Law, order, public safety	32,226	33,700	32,542
Health	15,128	11,200	10,484
Education and welfare	901,556	915,300	899,948
Housing	85,760	86,800	76,816
Community amenities	212,329	181,800	181,520
Recreation and culture	363,766	369,000	371,119
Transport	381,636	315,900	349,917
Economic services	151,755	141,700	165,971
Other property and services	43,777	31,400	30,785
	<u>2,694,226</u>	<u>2,487,300</u>	<u>2,829,706</u>
Expenditure from operating activities			
Governance	(806,186)	(890,200)	(763,632)
General purpose funding	(75,599)	(71,900)	(68,797)
Law, order, public safety	(102,663)	(132,300)	(128,562)
Health	(143,514)	(178,800)	(134,601)
Education and welfare	(1,161,379)	(1,216,000)	(1,128,849)
Housing	(28,827)	(35,500)	(31,244)
Community amenities	(2,302,292)	(2,420,300)	(2,276,087)
Recreation and culture	(2,403,887)	(1,641,800)	(1,471,687)
Transport	(2,968,286)	(2,172,100)	(2,179,835)
Economic services	(113,703)	(125,300)	(142,246)
Other property and services	(93,400)	(82,600)	(187,029)
	<u>(10,199,736)</u>	<u>(8,966,800)</u>	<u>(8,512,569)</u>
Operating activities excluded from budget			
(Profit) on disposal of assets	21 (33,818)	(29,000)	(19,673)
Loss on disposal of assets	21 5,651	6,000	2,191
Movement in deferred pensioner rates (non-current)	45,944	0	(6,034)
Movement in employee benefit provisions (non-current)	17,332	0	(136,783)
Depreciation and amortisation on assets	2(a) 2,533,323	1,004,000	999,143
Amount attributable to operating activities	<u>(4,413,642)</u>	<u>(5,379,500)</u>	<u>(4,593,071)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	353,781	0	30,000
Proceeds from disposal of assets	21 78,458	91,000	38,950
Purchase of property, plant and equipment	5(b) (223,652)	(890,000)	(461,375)
Purchase and construction of infrastructure	6(b) (591,359)	(1,161,600)	(1,375,274)
Amount attributable to investing activities	<u>(382,772)</u>	<u>(1,960,600)</u>	<u>(1,767,699)</u>
FINANCING ACTIVITIES			
Repayment of debentures	22(a) 0	0	(41,568)
Proceeds from new debentures	22(a) 0	500,000	0
Transfers to reserves (restricted assets)	12 (2,400,355)	(1,576,600)	(1,523,572)
Transfers from reserves (restricted assets)	12 808,005	1,601,600	2,065,400
Amount attributable to financing activities	<u>(1,592,350)</u>	<u>525,000</u>	<u>500,260</u>
Surplus(deficiency) before general rates	<u>(6,388,764)</u>	<u>(6,815,100)</u>	<u>(5,860,510)</u>
Total amount raised from general rates	23 <u>6,893,029</u>	<u>6,836,000</u>	<u>6,383,946</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24 <u><u>504,265</u></u>	<u><u>20,900</u></u>	<u><u>523,436</u></u>

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the 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

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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The local government reporting entity

All Funds through which the Town controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

For Trust items, a monthly account keeping fee is charged on each account and deducted from interest earned in that month. Where the interest earned is less than the specified monthly account keeping fee, the fee is reduced to the amount of interest earned.

(b) 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.

(c) 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 of changes in value and bank overdrafts.

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

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(e) 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.

Land held for sale

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

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

Land held for sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Town commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Town revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the Town was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Town.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	40 to 50 years (2.5% - 2.0%)
IT equipment	4 years (25%)
Furniture and equipment	10 years (10%)
Plant and equipment - HACCC Buses	12 years (8.5%)
Plant and equipment - Heavy Fleet	11 years (9%)
Plant and equipment - Light Fleet	5 years (20%)
Plant and equipment - Other/Ride On Mowers	5 years (20%)
Infrastructure	Various

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

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

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.

Capitalisation threshold

Expenditure on items of equipment under \$2,500 is not capitalised. Rather, it is expensed 100% in the year incurred.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Town uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Town 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.

Fair value hierarchy

AASB 13 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 Town 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 Town 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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

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 an asset at its current service capacity.

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 Town 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Town becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Town commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Town has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Town no longer has any significant continual involvement in the risks and benefits associated with the asset.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Town'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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town 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.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

Provision is made for the Town'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 Town's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits 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 Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town 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.

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when the Town 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.

(n) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(o) Superannuation

The Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Town's intentions to release for sale.

(q) Rounding Off Figures

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

(r) Comparative Figures

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

When the Town applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(s) 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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Town.

Management's assessment of the new and amended pronouncements that are relevant to the Town, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Town, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Town has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Town, the impact is not expected to be significant.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Town's financial statements. This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Town currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation. The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Town as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Adoption of New and Revised Accounting Standards

During the current year, the Town adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES	2016	2015
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	18,120	5,816
- Other Services	2,270	2,705
Depreciation		
Buildings - non-specialised	31,006	31,006
Buildings - specialised	280,923	273,987
Furniture and equipment	38,343	41,619
Plant and equipment	177,438	198,497
Infrastructure - roads	591,581	197,708
Infrastructure - footpaths	312,544	84,836
Infrastructure - drainage	136,982	36,760
Infrastructure - parks and ovals	635,516	80,505
Infrastructure - Car Parks	54,998	49,707
Infrastructure - Other Improvements	273,992	4,518
	<u>2,533,323</u>	<u>999,143</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	0	2,205
	<u>0</u>	<u>2,205</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	113,122	39,563
Other	4,475	29,531
	<u>117,597</u>	<u>69,094</u>
	<u>2,533,323</u>	<u>999,143</u>
	2016	2016
	Actual	Budget
	\$	\$
Interest earnings		2015
- Reserve funds	52,325	Actual
- Other funds	100,473	\$
Other interest revenue (refer note 28)	67,302	
	<u>220,100</u>	<u>180,179</u>
	<u>162,000</u>	

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

Our Town has a distinct identity. We are recognised for the integration of our heritage, lifestyle, environment, and community value.

Town operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

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

Activities:

Activities: Includes the activities of members of 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 but are strategic in nature.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the allocation to services.

Activities:

Rating, General Purpose Government Grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to ensure bushfire prevention, animal control and community safety.

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, food quality testing, pest control, noise control, waste disposal compliance and child health services.

EDUCATION AND WELFARE

Objective:

To provide assistance to senior citizens welfare and home and community care.

Activities:

Provision and maintenance of home and community care programs including meals on wheels, in home care, home maintenance, seniors outings, respite and school holiday programs.

HOUSING

Objective:

To assist with housing for staff and the community.

Activities:

Provision and maintenance of five rental properties

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide community amenities and other infrastructure as required by the community.

Activities:

Rubbish Collection, Recycling and Disposal, joint maintenance of SMRC waste management facility, administration of Town Planning Schemes, heritage protection and townscapes, maintenance of urban stormwater drainage and protection of the environment.

RECREATION AND CULTURE

Objective:

To plan, establish and efficiently manage sport and recreation infrastructure and resources which will help the social well being and health of the community.

Activities:

The provision and maintenance in conjunction with the various communities of public halls, recreation grounds, sports pavilions, playgrounds, parks, gardens, beaches and the joint operation of the City of Fremantle Library.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of streets, roads, footpaths, depots, cycleways, street trees, parking facilities and traffic control; the cleaning and lighting of streets.

ECONOMIC SERVICES

Objective:

To help promote the Town and improve its economic wellbeing.

Activities:

The regulation and provision of tourism, area promotion activities and building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control plant and Depot overhead cost pools, and to provide other services not included elsewhere.

Activities:

Private Works operations, Plant operation costs, Depot operations and Unclassified Property functions

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
Grant/Contribution	Function/ Activity							
Dept Sport EF Oval Redevelopment	11	50,000		(50,000)	0			0
Kidsport Grant	11	4,005		(2,000)	2,005		(2,005)	0
DSR Recreation & Community Facilities Plan	5	0	50,000		50,000		(50,000)	0
DoIRD Roads To Recovery	12				0	98,141		98,141
DoH HACC Non-Operating Plant Replacement	8				0	88,140		88,140
DoPW Swan River Trust Erosion Control	11				0	167,500		167,500
Total		54,005	50,000	(52,000)	52,005	353,781	(52,005)	353,781

Notes:

- (1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,125,901	1,454,753
Restricted		<u>3,452,085</u>	<u>1,859,735</u>
		<u><u>4,577,986</u></u>	<u><u>3,314,488</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Staff Leave Reserve	12	361,176	327,981
Plant Replacement Reserve	12	254,369	183,372
Civic Building Reserve	12	899,657	381,663
Office Reserve	12	143,967	114,968
Legal Costs Reserve	12	135,038	131,140
HACC Reserve	12	205,700	174,702
Strategic Plan Reserve	12	1,003,383	419,389
Arts & Sculpture Reserve	12	95,014	74,515
Unspent Grants & Restricted Cash Reserve	12	<u>353,781</u>	<u>52,005</u>
		<u><u>3,452,085</u></u>	<u><u>1,859,735</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		114,363	91,371
Sundry debtors		63,352	82,289
GST receivable		47,725	61,254
Accrued Income ESL		10,419	9,777
Less Provision for Doubtful Debts		<u>(600)</u>	<u>(600)</u>
		<u><u>235,259</u></u>	<u><u>244,091</u></u>
Non-current			
Rates outstanding - pensioners		<u>70,873</u>	<u>83,622</u>
		<u><u>70,873</u></u>	<u><u>83,622</u></u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
5 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	3,992,000	3,992,000
- Additions after valuation - cost	<u>0</u>	<u>0</u>
	3,992,000	3,992,000
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	1,206,000	1,206,000
- Additions after valuation - cost	0	0
Less: accumulated depreciation	<u>(62,012)</u>	<u>(31,006)</u>
	1,143,988	1,174,994
Buildings - specialised at:		
- Independent valuation 2014 - level 3	10,959,000	10,959,000
- Additions after valuation - cost	345,455	309,294
Less: accumulated depreciation	<u>(554,910)</u>	<u>(273,987)</u>
	10,749,545	10,994,307
	<u>11,893,533</u>	<u>12,169,301</u>
Total land and buildings	<u>15,885,533</u>	<u>16,161,301</u>
Furniture and equipment at:		
- Management valuation 2013 - level 3	0	112,157
- Management valuation 2016 - level 2	309,066	0
- Additions after valuation - cost	0	54,128
- Disposal after Valuation	0	(1,928)
Less accumulated depreciation	<u>(233,907)</u>	<u>(73,333)</u>
	75,159	91,024
Plant and equipment at:		
- Management valuation 2013 - level 2	0	727,113
- Management valuation 2016 - level 2	1,908,142	0
- Additions after valuation - cost	0	239,745
- Disposal after Valuation	0	(182,184)
Less accumulated depreciation	<u>(1,231,750)</u>	<u>(268,384)</u>
	676,392	516,290
	<u>16,637,084</u>	<u>16,768,615</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	3,992,000	0	0	0	0	0	0	0	3,992,000
Total land	3,992,000	0	0	0	0	0	0	0	3,992,000
Buildings - non-specialised	1,174,994	0	0	0	0	0	(31,006)	0	1,143,988
Buildings - specialised	10,994,307	36,161	0	0	0	0	(280,923)	0	10,749,545
Total buildings	12,169,301	36,161	0	0	0	0	(311,929)	0	11,893,533
Total land and buildings	16,161,301	36,161	0	0	0	0	(311,929)	0	15,885,533
Furniture and equipment	91,024	22,478	0	0	0	0	(38,343)	0	75,159
Plant and equipment	516,290	165,013	(50,291)	222,818	0	0	(177,438)	0	676,392
Total property, plant and equipment	16,768,615	223,652	(50,291)	222,818	0	0	(527,710)	0	16,637,084

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land	(Level 2)	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuers	June 2014	Price per hectare / market borrowing rate
Non-Specialised Buildings	(Level 2)	Improvements to land using cost approach of depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessment (Level 3) inputs
Specialised Buildings	(Level 3)	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuers	June 2014	Price per square metre / market borrowing rate
Plant & Equipment	(Level 2)	Market approach using recent observable market data for similar items	Management valuation	June 2016	Price per item
Furniture & Equipment	(Level 3)	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), 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.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
6 (a). INFRASTRUCTURE		
Infrastructure - roads		
- Independant valuation 2015 - level 3	33,356,000	33,356,000
- Additions after valuation - cost	395,648	0
Less accumulated depreciation	<u>(591,581)</u>	<u>0</u>
	33,160,067	33,356,000
Infrastructure - footpaths		
- Independant valuation 2015 - level 3	4,718,000	4,718,000
- Additions after valuation - cost	108,482	0
Less accumulated depreciation	<u>(312,544)</u>	<u>0</u>
	4,513,938	4,718,000
Infrastructure - drainage		
- Independant valuation 2015 - level 3	2,998,000	2,998,000
Less accumulated depreciation	<u>(136,982)</u>	<u>0</u>
	2,861,018	2,998,000
Infrastructure - parks and ovals		
- Independant valuation 2015 - level 3	8,610,000	8,610,000
- Additions after valuation - cost	87,229	0
Less accumulated depreciation	<u>(635,516)</u>	<u>0</u>
	8,061,713	8,610,000
Infrastructure - Car Parks		
- Independant valuation 2015 - level 3	3,013,000	3,013,000
Less accumulated depreciation	<u>(54,998)</u>	<u>0</u>
	2,958,002	3,013,000
Infrastructure - Other Improvements		
- Independant valuation 2015 - level 3	2,973,000	2,973,000
Less accumulated depreciation	<u>(273,992)</u>	<u>0</u>
	2,699,008	2,973,000
	<u>54,253,746</u>	<u>55,668,000</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

Note: Parks and Ovals and Other Improvements Infrastructure are inclusive of Reserves, Rivers, Signs, Irrigation, Parks and Bus Shelters.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to	Revaluation (Loss)/ Reversal Transferred to	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - roads	33,356,000	395,648	0	0	0	0	(591,581)	0	33,160,067
Infrastructure - footpaths	4,718,000	108,482	0	0	0	0	(312,544)	0	4,513,938
Infrastructure - drainage	2,998,000	0	0	0	0	0	(136,982)	0	2,861,018
Infrastructure - parks and ovals	8,610,000	87,229	0	0	0	0	(635,516)	0	8,061,713
Infrastructure - Car Parks	3,013,000	0	0	0	0	0	(54,998)	0	2,958,002
Infrastructure - Other Improvements	2,973,000	0	0	0	0	0	(273,992)	0	2,699,008
Total infrastructure	55,668,000	591,359	0	0	0	0	(2,005,613)	0	54,253,746

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

6. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - roads	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs
Infrastructure - Car Parks	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs
Infrastructure - Other Improvements	(Level 3)	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction cost and current condition (Level 2), residual value 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.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015
	\$	\$
7. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	456,800	792,295
Accrued salaries and wages	83,449	51,684
Accrued Expenses	0	17,464
	540,249	861,443
	540,249	861,443

The Town did not have any long term borrowings at the reporting date.

8. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2015			
Current provisions	253,646	388,300	641,946
Non-current provisions	0	41,540	41,540
	253,646	429,840	683,486
Additional provision	10,136	43,072	53,208
Balance at 30 June 2016	263,782	472,912	736,694
	263,782	472,912	736,694
Comprises			
Current	263,782	414,040	677,822
Non-current	0	58,872	58,872
	263,782	472,912	736,694
	263,782	472,912	736,694

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

12. RESERVES - CASH BACKED

	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2016	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015	2015
Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Transfer to	Closing Balance
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Leave Reserve	60,195	(27,000)	361,176	327,000	60,200	(141,000)	474,872	62,109	(209,000)	327,981		327,981
Plant Replacement Reserve	159,997	(89,000)	254,369	182,000	160,000	(141,000)	289,475	11,297	(117,400)	183,372		183,372
Civic Building Reserve	553,994	(36,000)	899,657	376,000	304,000	(50,000)	588,032	102,631	(309,000)	381,663		381,663
Office Reserve	50,999	(22,000)	143,967	114,000	51,000	(64,000)	76,533	42,435	(4,000)	114,968		114,968
Legal Costs Reserve	3,898	0	135,038	131,000	3,900	0	127,096	4,044	0	131,140		131,140
HACC Reserve	30,998	0	205,700	174,000	31,000	(44,000)	169,315	5,387	0	174,702		174,702
Strategic Plan Reserve	1,140,994	(557,000)	1,003,383	368,000	921,000	(1,112,300)	581,835	1,200,554	(1,363,000)	419,389		419,389
Arts & Sculpture Reserve	45,499	(25,000)	95,014	74,000	45,500	(49,300)	40,400	45,115	(11,000)	74,515		74,515
Unspent Grants & Restricted (353,781	(52,005)	353,781	2,000	0	0	54,005	50,000	(52,000)	52,005		52,005
	2,400,355	(808,005)	3,452,085	1,748,000	1,576,600	(1,601,600)	2,401,563	1,523,572	(2,065,400)	1,859,735		1,859,735

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Staff Leave Reserve	Ongoing	- to be used for the purpose of accumulated leave obligations.
Plant Replacement Reserve	Ongoing	- to be used for the purchase and replacement of major plant.
Civic Building Reserve	Ongoing	- to be used for the purpose of maintaining Civic Buildings.
Office Reserve	Ongoing	- to be used for the purpose of IT Infrastructure and other office equipment.
Legal Costs Reserve	Ongoing	- to be used for the purpose of funding legal requirements.
HACC Reserve	Ongoing	- to be used for the retention of unspent HACC program funds.
Strategic Plan Reserve	Ongoing	- to be used for the purpose of maintaining infrastructure and the provision of strategic plans.
Arts & Sculpture Reserve	Ongoing	- to be used for the provision of art and sculpture.
Unspent Grants & Restricted Cash Reserve 12 Months		- to be used for the retention of unspent specific purpose grants and loans.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

13. REVALUATION SURPLUS

	2016				2015			
	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation
Land	\$ 3,502,000	0	0	0	\$ 3,502,000	0	0	0
Non-Specialised buildings	512,403	0	0	0	512,403	0	0	0
Specialised buildings	5,002,215	0	0	0	5,002,215	0	0	0
Plant and equipment	0	222,818	0	222,818	0	0	0	0
Infrastructure - roads	26,166,712	0	0	0	26,166,712	0	0	0
Infrastructure - footpaths	1,717,848	0	0	0	1,717,848	0	0	0
Infrastructure - drainage	1,753,269	0	0	0	1,753,269	0	0	0
Infrastructure - parks and ovals	6,113,988	0	0	0	6,113,988	0	0	0
Infrastructure - Car Parks	1,198,359	0	0	0	1,198,359	0	0	0
Infrastructure - Other Improvements	2,729,185	0	0	0	2,729,185	0	0	0
	48,695,979	222,818	0	222,818	48,918,797	39,679,361	0	39,679,361

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

14. 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:

	2016	2016	2015
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>4,577,986</u>	<u>2,047,800</u>	<u>3,314,488</u>

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

Net result	(258,700)	356,500	731,083
Non-cash flows in Net result:			
Depreciation	2,533,323	1,004,000	999,143
(Profit)/Loss on sale of asset	(28,167)	(23,000)	(17,482)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	21,581	(197,700)	(30,196)
Increase/(Decrease) in payables	(321,194)	120,270	415,615
Increase/(Decrease) in provisions	53,208	0	(175,335)
Grants contributions for the development of assets	<u>(353,781)</u>	<u>0</u>	<u>(30,000)</u>
Net cash from operating activities	<u>1,646,270</u>	<u>1,260,070</u>	<u>1,892,828</u>

	2016	2015
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	<u>(31)</u>	<u>0</u>
Total amount of credit unused	<u>104,969</u>	<u>105,000</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	<u>0</u>	<u>0</u>
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

15. CONTINGENT LIABILITIES

Regional Resource Recovery Centre (RRRC) - Lending Facility

- (a) The Town is a project participant in the RRRC. The project was established through the Southern Metropolitan Regional Council (SMRC) and involves the Cities of Cockburn, Fremantle, Melville and Town of East Fremantle in the development of a municipal waste processing, recycling and green waste facility at Canning Vale.

The Town's estimated share of the project funding and liability is based on population percentages.

The SMRC Loan Liability as at 30 June 2016 is \$23,179,903 (LY \$26,663,532) with the Council's share of this liability as per below;

		2016	2015
Liability Share	\$	709,305	826,569
Liability sharing ratio	%	3.06	3.10

- (b) The Town is a project participant in the SMRC Office project. The project was established through the Southern Metropolitan Regional Council (SMRC) and involves the Cities of Cockburn, Fremantle, Kwinana, Melville and Town of East Fremantle in the development of an administration centre at 9 Aldous Place, Booragoon.

The Town's estimated share of the project funding and liability is based on population percentages.

The SMRC Loan Liability as at 30 June 2016 is \$1,800,000 (LY \$1,800,000) with the Council's share of this liability as per below;

		2016	2015
Liability Share	\$	48,060	48,780
Liability sharing ratio	%	2.67	2.71

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Town did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Town did not have any future capital expenditure commitments at the reporting date.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

17. JOINT VENTURE ARRANGEMENTS

**(a) Southern Metropolitan Regional Council (SMRC)
SMRC General Funds**

The Town is a member of the SMRC which was established in accordance with the Local Government Act 1995 and consists of the cities of Cockburn, Fremantle, Melville, Kwinana and Town of East Fremantle. The Town's estimated share of SMRC General Funds is based on population percentages.

The SMRC General Equity as at 30 June 2016 is \$2,367,025 (LY \$2,039,834) with the Council's share of this equity listed below;

		2016	2015
Equity Share	\$	63,200	55,280
Equity sharing ratio	%	2.67	2.71

SMRC Regional Resource Recovery Project (RRRC)

The Town is a member of the RRRC which was established as a joint venture through the SMRC with the Cities of Cockburn, Fremantle, Melville and Town of East Fremantle. The RRRC joint venture's principal activity is the development of a municipal waste processing, recycling and green waste facility at Canning Vale.

The Town's estimated share of net RRRC project equity is based on population percentages.

The RRRC project equity as at 30 June 2016 is \$12,262,471 (LY \$18,224,246) with the Council's share of this equity listed below;

		2016	2015
Equity Share	\$	375,232	564,952
Equity sharing ratio	%	3.06	3.10

(b) South West Group (SWG)

The Town is a member of the SWG project which was established as a joint venture with the Cities of Cockburn, Fremantle, Melville, Rockingham and Town of East Fremantle. The SWG joint venture's principal activity is to advise on a range of activities in the common interest of the SWG of Councils.

The Town's estimated share of net SWG project equity is based on a specific contribution formulae.

The SWG project equity as at 30 June 2016 is \$207,600 (LY \$207,643) with the Council's share of this equity listed below;

		2016	2015
Equity Share	\$	10,649	11,237
Equity sharing ratio	%	7.32	7.37

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
Governance	7,473,913	6,191,633
Health	34,149	35,049
Education and welfare	1,244,429	1,227,802
Housing	248,426	254,976
Community amenities	74,070	290,364
Recreation and culture	18,484,171	19,607,582
Transport	43,493,025	43,865,638
Other property and services	4,722,765	4,605,772
	<u>75,774,948</u>	<u>76,078,816</u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

19. FINANCIAL RATIOS	2016	2015	2014
Current ratio	1.59	1.07	1.25
Asset sustainability ratio	0.20	1.32	1.48
Debt service cover ratio	No Debt	38.89	11.28
Operating surplus ratio	(0.07)	0.09	0.08
Own source revenue coverage ratio	0.84	0.94	0.97

The above ratios are calculated as follows:

Current ratio
$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Asset sustainability ratio
$$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$$

Debt service cover ratio
$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Operating surplus ratio
$$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$$

Own source revenue coverage ratio
$$\frac{\text{own source operating revenue}}{\text{operating expenses}}$$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 51 of this document.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

20. TRUST FUNDS

Funds held at balance date over which the Town has no control and which are not included in the financial statements are as follows:

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Development Bonds & Deposits	219,630	140,867	(128,530)	231,967
Developer Cash-in-Lieu	413,433	22,058		435,491
Mooring Pens	68,830	13,800	(23,320)	59,310
Other	16,251	3,747	(3,497)	16,501
Unclaimed	23,126	6,980		30,106
	<u>741,270</u>	<u>187,452</u>	<u>(155,347)</u>	<u>773,375</u>

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
<u>Governance</u>								
Various IT Equipment	134	1,638	1,504	0				
Medium Sedan					20,000	14,000	0	(6,000)
<u>Law, order, public safety</u>								
Ranger Vehicle & Canopy	9,469	12,727	3,258	0	9,000	11,000	2,000	0
<u>Health</u>								
Health Sedan	8,069	10,909	2,840	0				
<u>Education and welfare</u>								
People Mover Van					6,000	12,000	6,000	0
Medium Sedan					3,000	9,000	6,000	0
<u>Recreation and culture</u>								
Ride on Mower	1,531	8,182	6,651	0	3,000	10,000	7,000	0
Ride on Mower	0	10,909	10,909	0	0	6,000	6,000	0
Flat Tray Trailer	0	273	273	0				
<u>Transport</u>								
Works Utility	13,618	21,364	7,746	0	11,000	11,000	0	0
Operations Utility	16,801	11,364	0	(5,437)	16,000	18,000	2,000	0
General Purpose Trailer	669	455	0	(214)				
Tipper Trailer	0	364	364	0				
General Purpose Trailer	0	273	273	0				
	<u>50,291</u>	<u>78,458</u>	<u>33,818</u>	<u>(5,651)</u>	<u>68,000</u>	<u>91,000</u>	<u>29,000</u>	<u>(6,000)</u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Town had no outstanding debentures at balance date.

(b) New Debentures - 2015/16

The Town did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Town did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

The Town established an overdraft facility of \$100,000 in 1997 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2015 and 30 June 2016 was \$0.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	
Differential general rate / general rate												
Gross rental value valuations												
Residential	6.2286	3,246	92,120,000	5,454,947	48,156	320	5,503,423	5,445,000	18,000		5,463,000	
Commercial	9.6647	134	10,698,000	1,085,280	19,826		1,105,106	1,089,500			1,089,500	
Sub-Total		3,380	102,818,000	6,540,227	67,982	320	6,608,529	6,534,500	18,000	0	6,552,500	
Minimum payment	\$											
Gross rental value valuations												
Residential	1,000	296	3,931,000	283,000			283,000	282,000			282,000	
Commercial	1,500	1	15,000	1,500			1,500	1,500			1,500	
Sub-Total		297	3,946,000	284,500	0	0	284,500	283,500	0	0	283,500	
Totals		3,677	106,764,000	6,824,727	67,982	320	6,893,029	6,818,000	18,000	0	6,836,000	
Total amount raised from general rate							6,893,029				6,836,000	

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	<u>504,265</u>	<u>523,436</u>	<u>523,436</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,125,901	1,454,753	1,454,753
Restricted	3,452,085	1,859,735	1,859,735
Receivables			
Rates outstanding	114,363	91,371	91,371
Sundry debtors	63,352	82,289	82,289
Accrued Income ESL	10,419	9,777	9,777
Less Provision for Doubtful Debts	(600)	(600)	(600)
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(456,800)	(792,295)	(792,295)
Accrued interest on debentures	0	0	0
Accrued salaries and wages	(83,449)	(51,684)	(51,684)
Provisions			
Provision for annual leave	(263,782)	(253,646)	(253,646)
Provision for long service leave	(414,040)	(388,300)	(388,300)
Unadjusted net current assets	<u>3,595,174</u>	<u>2,055,190</u>	<u>2,055,190</u>
Adjustments			
Less: Reserves - restricted cash	(3,452,085)	(1,859,735)	(1,859,735)
Add Back: Staff Leave Reserve	361,176	327,981	327,981
Adjusted net current assets - surplus/(deficit)	<u><u>504,265</u></u>	<u><u>523,436</u></u>	<u><u>523,436</u></u>

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Town did not impose any specified area rates.

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Town did not impose any service charges.

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2015/16 FINANCIAL YEAR**

The Town did not grant any discounts, incentives or concessions.

28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %	Budgeted Revenue \$
Instalment Options					
Option One					
Single full payment	7th Sept 2015			11.00%	
Option Two					
First Instalment	7th Sept 2015	15	5.50%		28,173
Second Instalment	11th Jan 2016				2,383
Option Three					
First Instalment	7th Sept 2015	15	5.50%		36,746
Second Instalment	9th Nov 2015				35,280
Third Instalment	11th Jan 2016				102,582
Fourth Instalment	14th Mar 2016				95,000
Penalty on unpaid rates					23,000
Pensioner Deferred Rates Interest					3,000
Interest on instalment plan					34,000
Charges on instalment plan					35,000
					95,000

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

29. FEES & CHARGES	2016	2015
	\$	\$
Governance	1,142	18,586
General purpose funding	69,206	77,840
Law, order, public safety	28,967	32,542
Health	12,288	10,484
Education and welfare	83,758	90,232
Housing	85,760	76,816
Community amenities	199,491	179,320
Recreation and culture	318,542	330,366
Transport	326,314	306,056
Economic services	151,815	166,020
Other property and services	18,134	19,692
	<u>1,295,417</u>	<u>1,307,954</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

30. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Nature or Type:	2016	2015
	\$	\$
Operating grants, subsidies and contributions		
Governance	50,000	50,000
General purpose funding	110,188	352,555
Education and welfare	816,031	804,040
Recreation and culture	25,867	20,486
Transport	25,208	25,725
	<u>1,027,294</u>	<u>1,252,806</u>
Non-operating grants, subsidies and contributions		
Education and welfare	88,140	0
Recreation and culture	167,500	30,000
Transport	98,141	0
	<u>353,781</u>	<u>30,000</u>
	<u>1,381,075</u>	<u>1,282,806</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

40	40
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32. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

	2016	2016	2015
	\$	Budget	\$
Meeting Fees - Councillors @ \$15,000	115,516	120,000	106,828
Meeting Fees - Mayor	24,500	24,500	24,000
Mayoral Allowance	14,500	14,500	14,000
Deputy Mayoral Allowance	3,612	3,625	3,500
Members ICT Allowance @ \$3,000	26,103	27,000	25,892
	<u>184,231</u>	<u>189,625</u>	<u>174,220</u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

33. MAJOR LAND TRANSACTIONS

The Town did not participate in any major land transactions during the 2015/16 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Town did participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

35. POST BALANCE DATE EVENT

In reference to disclosure notes 15 Contingent Liabilities and 17(a) Joint Venture Arrangements with the SMRC, notice has been given by the City of Cockburn, a project participant, that they will withdraw from the project effective from 30 June 2017. The effect on the future of the project is unknown as at 30 June 2016.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

36. FINANCIAL RISK MANAGEMENT

The Town's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Town's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Town.

The Town 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 area under policies approved by the Council.

The Town held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,577,986	3,314,488	4,577,986	3,314,488
Receivables	306,132	327,713	306,132	327,713
	<u>4,884,118</u>	<u>3,642,201</u>	<u>4,884,118</u>	<u>3,642,201</u>
Financial liabilities				
Payables	540,249	861,443	540,249	861,443
Borrowings	0	0	0	0
	<u>540,249</u>	<u>861,443</u>	<u>540,249</u>	<u>861,443</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

The Town's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio of Council and has an investment policy which is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market. The risk is considered low given that Council investments are held in short duration term deposits.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns. This risk is present with movements in federal reserve cash rates.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Town. Council only seeks investment in institutions with A rated short term investment ratings or better.

The Town manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*.

	2016	2015
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	15,280	11,854
- Statement of Comprehensive Income	15,280	11,854
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	1,530	1,185
- Statement of Comprehensive Income	1,530	1,185

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

36. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

The Town's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Town manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date to avoid additional charges.

Credit risk on rates and annual charges is minimised by the ability of the Town to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Town is also to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The Town makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Town's credit risk at balance date was:

	2016	2015
Percentage of rates and annual charges		
- Current	100%	87%
- Overdue	0%	13%
Percentage of other receivables		
- Current	96%	70%
- Overdue	4%	30%

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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 Town 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.

The contractual undiscounted cash flows of the Town's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2016</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	540,249	0	0	0	540,249	540,249
Borrowings	<u>540,249</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>540,249</u>	<u>540,249</u>
Payables	861,443	0	0	0	861,443	861,443
Borrowings	<u>861,443</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>861,443</u>	<u>861,443</u>

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

36. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (continued)**

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%

Year ended 30 June 2016

Borrowings

Fixed rate								
Debtentures	0	0	0	0	0	0	0	
Weighted average Effective interest rate								0

Year ended 30 June 2015

Borrowings

Fixed rate								
Debtentures	0	0	0	0	0	0	0	
Weighted average Effective interest rate								0

**TOWN OF EAST FREMANTLE
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2016	2015	2014
Asset consumption ratio	0.75	0.79	0.88
Asset renewal funding ratio	1.44	1.41	2.20

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



Anderson Munro & Wyllie

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INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE TOWN OF EAST FREMANTLE

Scope

We have audited the financial report of Town of East Fremantle for the year ended 30 June 2016. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Town of East Fremantle. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



Independence

Anderson Munro & Wyllie are independent of the Town of East Fremantle, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of the Town of East Fremantle are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Town as at 30 June 2016 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Other Matters

During the course of our audit we noted the following issue regarding the Local Government (Financial Management) Regulations 1996:

- a) We noted that a copy of the annual budget of the town was not submitted to the Departmental CEO within 30 days of its adoption by the Local Government as is required by Local Government (Financial Management) Regulations 1996, Regulation 33.

Statutory Compliance

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) Except for the issues identified in the above 'Other Matters' paragraph we did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.
- e) In relation to the Supplementary Ratio Information presented at page 51 of this report, we have reviewed the calculations as presented and in our opinion these are:
 - i. Based on verifiable information; and
 - ii. Reasonable assumptions.

Dated the 1st day of December 2016 in Perth, Western Australia


BILLY-JOE THOMAS
Director


ANDERSON MUNRO & WYLLIE
Chartered Accountants