



Annual Report

Financial highlights

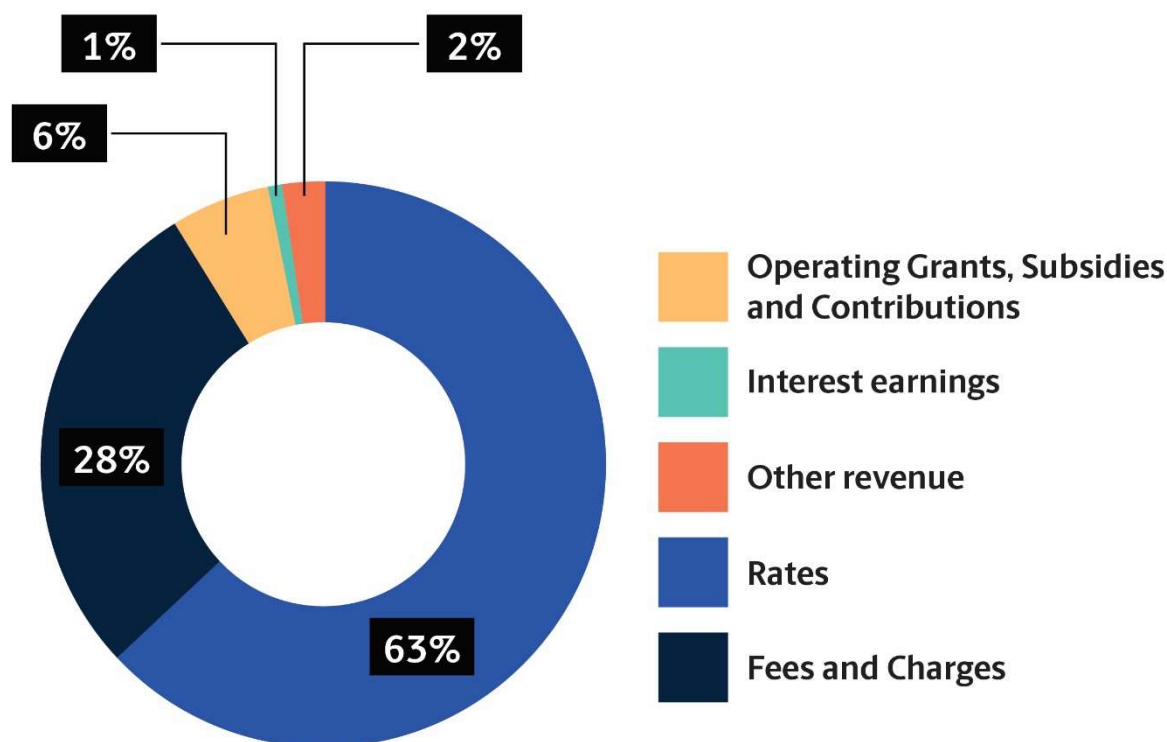
2021-22

2021–22 Financial Highlights

Income

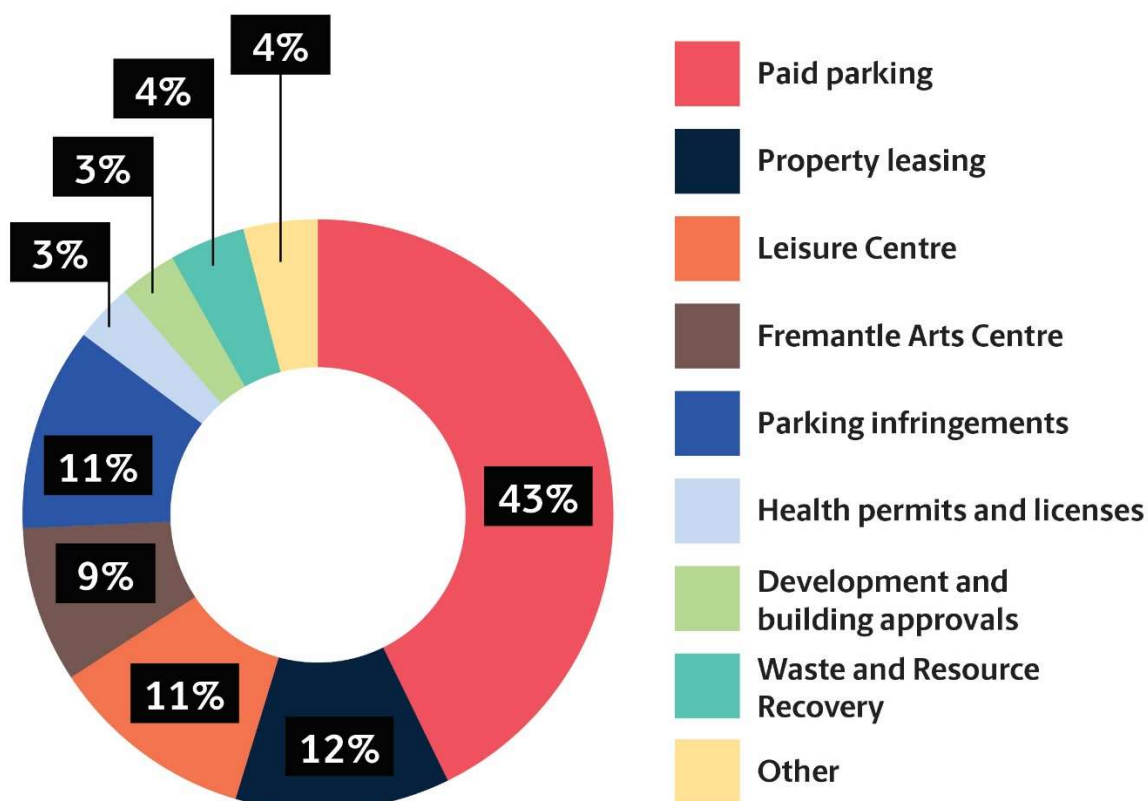
The City generates revenue from a number of different sources, all of which contribute to our ability to deliver services to the community. In 2021–22 the City generated \$80million in operating revenue from the following areas:

Revenue



As the second-biggest source of revenue after rates, fees and charges represent an important source of income for the City and in 2021–22 generated \$22.5million. Some of the notable sources of this revenue have been broken down below:

Fees and Charges



Performance against 2021–22 Budget—Income

The City performed well for the year, generating a surplus of \$2.1million. This included the following variances to operating revenue compared to the adopted budget for the year:

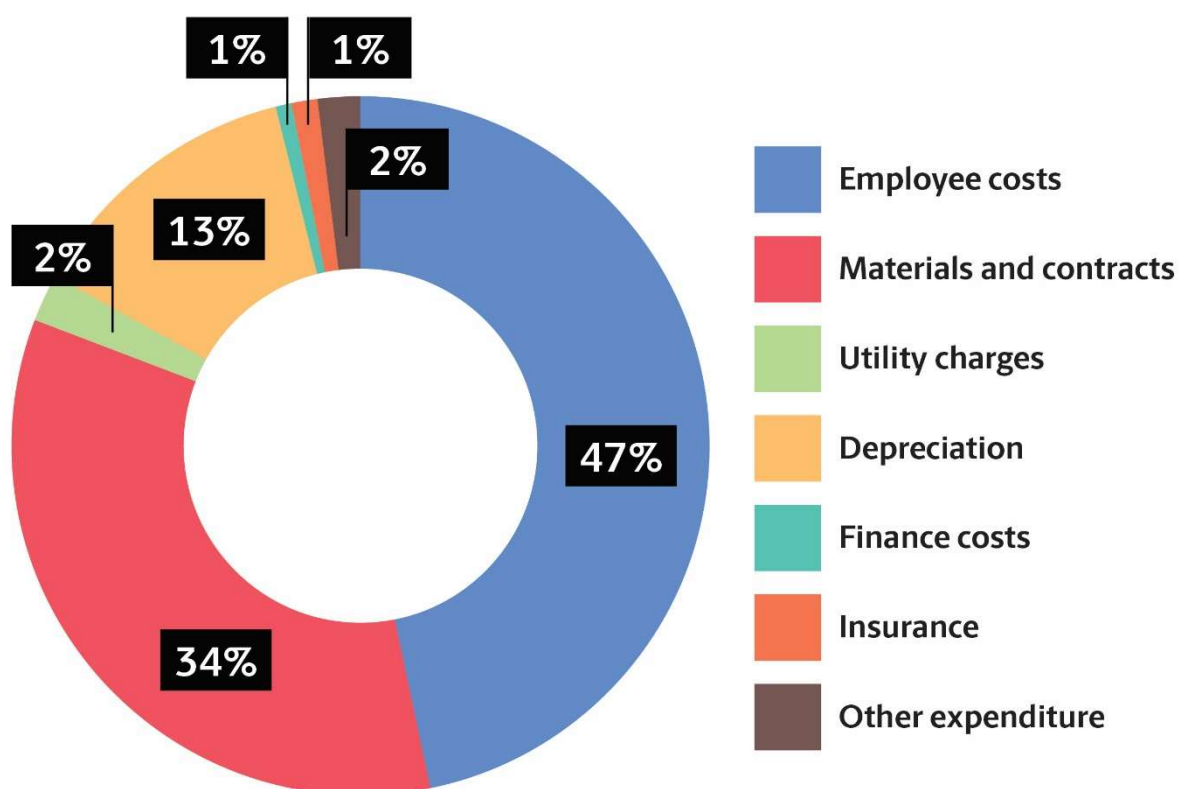
- In comparison with budget, operating revenue increased by 2.5% or \$2 million.
- Revenue from Rates decreased by \$0.25 million overall mainly due to fewer interim rates processed than anticipated as part of budget setting.
- Fees and charges increased by \$0.3million mainly due to increased parking revenue.
- Operating Grants, Subsidies and Contributions increased by \$1.3 million. The variance was mainly due to the early receipt of Financial Assistance grant of \$0.9 million in 2021–22 and \$0.4 million grants from Department of Justice for Legal Aid Program.
- Interest earnings marginally under budget by \$8k.
- Other revenue increased by \$0.6million due to the increase of reimbursement income.

Operating Revenue Comparisons by nature or type 2020–21 to 2021–22

Revenue from Ordinary Activities	Actual 2021 \$	Budget 2022 \$	Actual 2022 \$
Rates	48,407,177	50,502,513	50,251,586
Operating grants, subsidies and contributions	3,705,485	3,154,538	4,469,485
Fees and charges	21,370,671	22,147,131	22,469,455
Service charges	7,192	7,192	8,804
Interest earnings	840,585	633,000	624,763
Other revenue	5,041,678	1,321,700	1,941,482
Total	79,372,788	77,766,074	79,765,575

Expenditure

The City completed the 2021–22 Financial Year with operating expenditure of \$81 million. Operating expenditure contributes towards the delivery of a broad range of services and programs for the community including the operating costs for the City such as staffing, utilities, insurance, and ongoing maintenance of assets.



Performance against 2021–22 Budget—Expenditure

Operating expenditure came well within budget for the 2021–22 financial year being \$1.9 million less than was budgeted. This included the following variances to operating expenditure compared to the adopted budget for the year.

- Employee cost was \$1.7 million less than budgeted mainly due to ongoing staff vacancies as a result of the tightening labour market.
- Materials and contract costs came in \$0.2 million less than budgeted. The variance is made up of cost savings of \$1.9 million within materials and contract expenditure, which was offset by increased expenditure of \$1.7 million in agency labour due to ongoing staff vacancies and the tight labour market.
- Other expenditure decreased by \$1 million mainly due to the cost savings in sponsorships, with a lower than expected take up of sponsorship funds.

Operating Expenditure Comparisons by nature or type 2020–21 to 2021–22

Expenses from Ordinary Activities	Actual 2021 \$	Budget 2022 \$	Actual 2022 \$
Employee costs	(36,337,958)	(39,649,332)	(37,972,312)
Materials and contracts	(23,971,527)	(27,799,573)	(27,648,316)
Utility charges	(1,749,249)	(1,920,700)	(1,862,201)
Depreciation on non-current assets	(9,852,650)	(9,710,367)	(10,678,971)
Interest expenses	(615,207)	(558,389)	(568,406)
Insurance expenses	(893,720)	(950,261)	(959,378)
Total	(75,450,485)	(83,113,054)	(81,188,320)

Other

Non-operating grants decreased by \$7million. The variance is mainly due to a range of capital projects being carried forward to the 2022–23 financial year, offset by decreased capital expenditure of \$7million in the 2021–22 financial year. Details of some of these variances include:

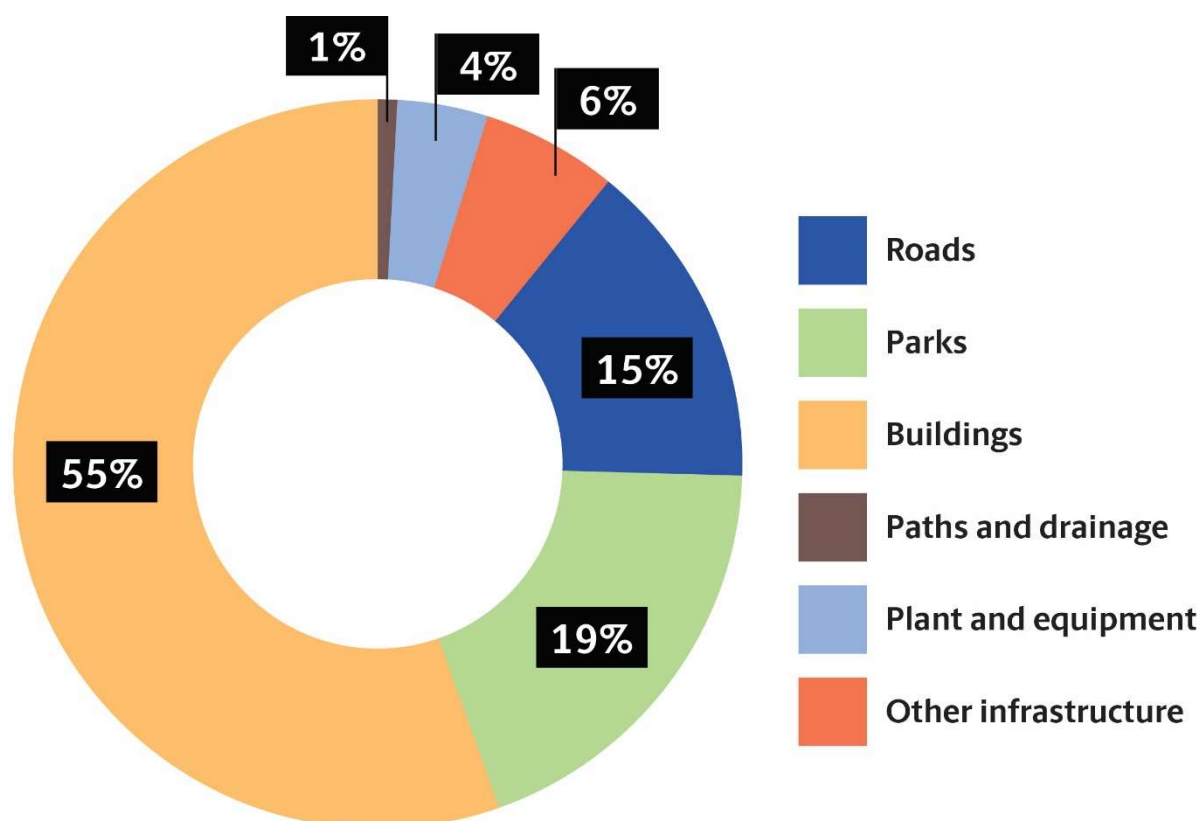
- The Fremantle Golf Course redevelopment of \$2.3million was delayed and the project was carried forward.
- The Port Beach coastal adaptation project of \$2.6M was delayed due to finalising the sand nourishment contract.
- The Fremantle Markets Building Services of \$1.7M was delayed and the project was carried forward.
- The Booyeembara Park Mountain Bike Trail \$0.8M Lottery West grant was delayed due to a project milestone not being achieved during the 2021–22 financial year.

Statement of Financial Position

Net assets of \$448 Million demonstrated financial strength for the City in the 2021–22 financial year. This result was attributable to some of the following highlights:

- The value of the investment in Southern Metropolitan Regional Council (SMRC) decreasing by \$0.4 million.
- Capital expenditure during the year amounting to \$17 million.
- The value of the Property, Plant and Equipment and Infrastructure assets increasing by \$6.8 million mainly due to the asset additions during 2021–22.

Asset classes invested in during the year were as follows:





Conclusion

In 2021–22, the City continued to deliver on key strategies adopted by the Council. This entails the delivery of services across all programs, while ensuring an increased focus on the renewing of assets at sustainable levels.