

**TOWN OF VICTORIA PARK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The Town of Victoria Park conducts the operations of a local government with the following community vision:

*A dynamic place for everyone.*

Principal place of business:  
99 Shepperton Road  
Victoria Park WA 6100

**TOWN OF VICTORIA PARK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CEO**

The accompanying financial report of the Town of Victoria Park has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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

Signed on the 9th day of April 2024



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Chief Executive Officer



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Name of Chief Executive Officer

**TOWN OF VICTORIA PARK  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	Restated* 2022 Actual \$
<b>Revenue</b>				
Rates	2(a),26	46,250,611	46,131,117	44,322,879
Grants, subsidies and contributions	2(a)	2,012,496	590,029	2,160,080
Fees and charges	2(a)	9,956,673	10,315,512	9,912,251
Service charges	2(a)	1,184,627	1,554,800	12,378,582
Interest revenue	2(a)	1,808,655	474,498	431,364
Other revenue	2(a)	1,710,928	639,756	1,025,241
		<b>62,923,990</b>	<b>59,705,712</b>	<b>70,230,397</b>
<b>Expenses</b>				
Employee costs	2(b)	(26,319,506)	(25,231,789)	(24,632,682)
Materials and contracts		(21,855,352)	(25,284,135)	(24,861,018)
Utility charges		(1,493,522)	(1,599,650)	(1,592,830)
Depreciation		(10,237,392)	(9,951,643)	(10,007,446)
Finance costs	2(b)	(223,995)	(277,575)	(239,818)
Insurance		(577,573)	(339,881)	(322,328)
Other expenditure	2(b)	(924,857)	(728,839)	(8,958,170)
		<b>(61,632,197)</b>	<b>(63,413,512)</b>	<b>(70,614,292)</b>
		<b>1,291,793</b>	<b>(3,707,800)</b>	<b>(383,895)</b>
Capital grants, subsidies and contributions	2(a)	1,899,995	9,560,146	1,234,106
Profit on asset disposals		95,456	1,597,280	92,960
Loss on asset disposals		(1,740,192)	(26,417)	(1,492,281)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,842	-	-
Share of net profit of associates accounted for using the equity method		613,622	-	(1,111,708)
Net share of interest in associate		944,034	-	844,836
		<b>1,816,757</b>	<b>11,131,009</b>	<b>(432,087)</b>
<b>Net result for the period</b>	25(b)	<b>3,108,550</b>	<b>7,423,209</b>	<b>(815,982)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	83,554,338	-	-
Share of other comprehensive income of associates accounted for using the equity method	16, 21(e)	854,776	-	1,678,356
<b>Total other comprehensive income for the period</b>		<b>84,409,114</b>	<b>-</b>	<b>1,678,356</b>
<b>Total comprehensive income for the period</b>		<b>87,517,664</b>	<b>7,423,209</b>	<b>862,374</b>

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

\*Restated - refer to note 30 Correction of Prior Period Error.



**TOWN OF VICTORIA PARK  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	NOTE	2023 \$	Restated* 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	28,206,012	24,726,760
Trade and other receivables	5	8,161,892	7,121,136
Other financial assets	4(a)	27,000,000	26,000,000
Inventories	6	2,096,944	335,342
Other assets	7	1,305,047	-
<b>TOTAL CURRENT ASSETS</b>		<b>66,769,895</b>	<b>58,183,238</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	4,145,064	4,631,459
Other financial assets	4(b)	40,745	36,903
Inventories	6	41,986	1,768,178
Investment in associate	21(a)	14,957,183	14,211,419
Property, plant and equipment	8(a)	320,182,121	268,782,911
Infrastructure	9(a)	290,142,311	263,101,358
Right-of-use assets	11(a)	-	16,709
<b>TOTAL NON-CURRENT ASSETS</b>		<b>629,509,410</b>	<b>552,548,937</b>
<b>TOTAL ASSETS</b>		<b>696,279,305</b>	<b>610,732,175</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	6,358,283	6,471,693
Other liabilities	13	3,290,535	2,810,553
Lease liabilities	11(b)	-	20,069
Borrowings	14	2,990,300	3,038,595
Employee related provisions	15	4,966,756	4,243,165
<b>TOTAL CURRENT LIABILITIES</b>		<b>17,605,874</b>	<b>16,584,075</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	9,447,756	12,438,056
Employee related provisions	15	357,468	359,501
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,805,224</b>	<b>12,797,557</b>
<b>TOTAL LIABILITIES</b>		<b>27,411,098</b>	<b>29,381,632</b>
<b>NET ASSETS</b>		<b>668,868,207</b>	<b>581,350,543</b>
<b>EQUITY</b>			
Retained surplus		95,334,507	96,755,493
Reserve accounts	29	42,713,912	38,184,376
Revaluation surplus	16	530,819,788	446,410,674
<b>TOTAL EQUITY</b>		<b>668,868,207</b>	<b>581,350,543</b>

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

\*Restated - refer to note 30 Correction of Prior Period Error.



**TOWN OF VICTORIA PARK  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS*	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY*
		\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>		<b>82,533,108</b>	<b>53,222,743</b>	<b>444,732,318</b>	<b>580,488,169</b>
Comprehensive income for the period					
Net result for the period*		(815,982)	-	-	(815,982)
Other comprehensive income for the period	16	-	-	1,678,356	1,678,356
<b>Total comprehensive income for the period</b>		<b>(815,982)</b>	<b>-</b>	<b>1,678,356</b>	<b>862,374</b>
Transfers from reserve accounts	29	28,490,035	(28,490,035)	-	-
Transfers to reserve accounts	29	(13,451,668)	13,451,668	-	-
<b>Restated balance as at 30 June 2022</b>		<b>96,755,493</b>	<b>38,184,376</b>	<b>446,410,674</b>	<b>581,350,543</b>
Comprehensive income for the period					
Net result for the period		3,108,550	-	-	3,108,550
Other comprehensive income for the period	16	-	-	84,409,114	84,409,114
<b>Total comprehensive income for the period</b>		<b>3,108,550</b>	<b>-</b>	<b>84,409,114</b>	<b>87,517,664</b>
Transfers from reserve accounts	29	4,244,948	(4,244,948)	-	-
Transfers to reserve accounts	29	(8,774,484)	8,774,484	-	-
<b>Balance as at 30 June 2023</b>		<b>95,334,507</b>	<b>42,713,912</b>	<b>530,819,788</b>	<b>668,868,207</b>

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

\*Restated - refer to note 30 Correction of Prior Period Error.



**TOWN OF VICTORIA PARK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		43,418,197	44,167,630
Grants, subsidies and contributions		4,198,970	651,334
Fees and charges		9,652,969	10,117,110
Service charges		1,184,627	6,915,665
Interest revenue		1,808,655	431,364
Goods and services tax received		2,361,253	373,466
Other revenue		1,710,928	1,025,241
		64,335,599	63,681,810
<b>Payments</b>			
Employee costs		(25,048,097)	(25,080,297)
Materials and contracts		(23,332,506)	(34,918,248)
Utility charges		(1,493,522)	(1,592,830)
Finance costs		(223,995)	(239,818)
Insurance paid		(577,573)	(322,328)
Goods and services tax paid		(2,286,827)	(727,209)
Other expenditure		(924,857)	(6,639)
		(53,887,377)	(62,887,369)
<b>Net cash provided by (used in) operating activities</b>	17(b)	10,448,222	794,441
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost		(1,000,000)	(2,000,000)
Payments for investments in associates		-	(7,083,333)
Payments for purchase of property, plant & equipment	8(a)	(1,567,586)	(1,241,771)
Payments for construction of infrastructure	9(a)	(5,337,484)	(7,067,075)
Capital grants, subsidies and contributions		2,174,270	1,234,106
Distributions from investments in associates		1,666,668	833,333
Proceeds from sale of property, plant & equipment		153,826	519,543
<b>Net cash provided by (used in) investing activities</b>		(3,910,306)	(14,805,197)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	28(a)	(3,038,595)	(2,798,462)
Payments for principal portion of lease liabilities	28(c)	(20,069)	(73,678)
Proceeds from new borrowings	28(a)	-	1,489,228
Increase/decrease in equity interest		-	(8,121)
<b>Net cash provided by (used in) financing activities</b>		(3,058,664)	(1,391,033)
<b>Net increase (decrease) in cash held</b>		3,479,252	(15,401,789)
Cash at beginning of year		24,726,760	40,128,549
<b>Cash and cash equivalents at the end of the year</b>	17(a)	28,206,012	24,726,760

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



**TOWN OF VICTORIA PARK  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2023**

		2023 Actual	2023 Budget	Restated* 2022 Actual
	NOTE	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	26	46,250,611	46,131,117	44,322,879
Grants, subsidies and contributions	2(a)	2,012,496	590,029	2,160,080
Fees and charges	2(a)	9,956,673	10,315,512	9,912,251
Service charges	2(a)	1,184,627	1,554,800	12,378,582
Interest revenue	2(a)	1,808,655	474,498	431,364
Other revenue	2(a)	1,710,928	639,756	1,025,241
Profit on asset disposals		95,456	1,597,280	92,960
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,842	-	-
Share of net profit of associates accounted for using the equity method	21(e)	613,622	-	(1,111,708)
Movement in contributed equity		944,034	-	1,899,137
		<b>64,580,944</b>	<b>61,302,992</b>	<b>71,110,786</b>
<b>Expenditure from operating activities</b>				
Employee costs	2(b)	(26,319,506)	(25,231,789)	(24,632,682)
Materials and contracts		(21,855,352)	(25,284,135)	(24,861,018)
Utility charges		(1,493,522)	(1,599,650)	(1,592,830)
Depreciation		(10,237,392)	(9,951,643)	(10,007,446)
Finance costs	2(b)	(223,995)	(277,575)	(239,818)
Insurance		(577,573)	(339,881)	(322,328)
Other expenditure	2(b)	(924,857)	(728,839)	(8,958,170)
Loss on asset disposals		(1,740,192)	(26,417)	(1,492,281)
		<b>(63,372,389)</b>	<b>(63,439,929)</b>	<b>(72,106,573)</b>
Non-cash amounts excluded from operating activities	27(a)	10,804,992	8,380,780	5,522,531
<b>Amount attributable to operating activities</b>		<b>12,013,547</b>	<b>6,243,843</b>	<b>4,526,744</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions	2(a)	1,899,995	9,560,146	1,234,106
Proceeds from disposal of assets		153,826	4,015,500	519,543
Distributions from investments in associates	21(b),(c)	1,666,668	1,250,000	833,334
		<b>3,720,489</b>	<b>14,825,646</b>	<b>2,586,983</b>
<b>Outflows from investing activities</b>				
Payments for investments in associates	21(b),(c)	-	-	(7,083,333)
Purchase of property, plant and equipment	8(a)	(1,567,586)	(7,355,562)	(1,241,771)
Purchase and construction of infrastructure	9(a)	(5,337,484)	(21,625,006)	(7,067,075)
		<b>(6,905,070)</b>	<b>(28,980,568)</b>	<b>(15,392,179)</b>
<b>Amount attributable to investing activities</b>		<b>(3,184,581)</b>	<b>(14,154,922)</b>	<b>(12,805,196)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	28(a)	-	2,200,000	1,489,228
Transfers from reserve accounts	29	4,244,948	19,071,008	28,490,035
		<b>4,244,948</b>	<b>21,271,008</b>	<b>29,979,263</b>
<b>Outflows from financing activities</b>				
Repayment of borrowings	28(a)	(3,038,595)	(3,075,841)	(2,798,462)
Payments for principal portion of lease liabilities	28(c)	(20,069)	(20,068)	(73,678)
Transfers to reserve accounts	29	(8,774,484)	(12,607,599)	(13,451,668)
		<b>(11,833,148)</b>	<b>(15,703,508)</b>	<b>(16,323,808)</b>
<b>Amount attributable to financing activities</b>		<b>(7,588,200)</b>	<b>5,567,500</b>	<b>13,655,455</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	27(b)	6,161,506	2,343,579	784,503
Amount attributable to operating activities		12,013,547	6,243,843	4,526,744
Amount attributable to investing activities		(3,184,581)	(14,154,922)	(12,805,196)
Amount attributable to financing activities		(7,588,200)	5,567,500	13,655,455
<b>Surplus or deficit after imposition of general rates</b>	27(b)	<b>7,402,272</b>	<b>0</b>	<b>6,161,506</b>

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

\*Restated - refer to note 30 Correction of Prior Period Error.



**TOWN OF VICTORIA PARK  
FOR THE YEAR ENDED 30 JUNE 2023  
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**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**1. BASIS OF PREPARATION**

The financial report of the Town of Victoria Park, which is a Class 2 local government, comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

**Local Government Act 1995 requirements**

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

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

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

**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. The Town does not have funds in Trust.

**Judgements and 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

**Initial application of accounting standards**

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

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

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates  
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Timing of revenue recognition</b>
Rates	General Rates	Over time	Payment dates adopted by Council during the year	Prepaid rates are refundable until the taxable event for the rates has occurred	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When right to receive funds
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	When rates notice is issued
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(a) Revenue (continued)**

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Timing of revenue recognition</b>
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Kiosk and leisure centre stock	Single point in time	Payment in full at point of sales	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licensing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	-	-	46,250,611	-	46,250,611
Grants, subsidies and contributions	2,012,496	-	-	-	2,012,496
Fees and charges	9,956,673	-	-	-	9,956,673
Service charges	1,184,627	-	-	-	1,184,627
Interest revenue	-	-	-	1,808,655	1,808,655
Other revenue	-	-	314,242	1,396,686	1,710,928
Capital grants, subsidies and contributions	-	1,899,995	-	-	1,899,995
<b>Total</b>	<b>13,153,796</b>	<b>1,899,995</b>	<b>46,564,853</b>	<b>3,205,341</b>	<b>64,823,985</b>

**For the year ended 30 June 2022**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	-	-	44,322,879	-	44,322,879
Grants, subsidies and contributions	2,160,080	-	-	-	2,160,080
Fees and charges	9,912,251	-	-	-	9,912,251
Service charges	6,915,665	-	-	5,462,917	12,378,582
Interest revenue	-	-	214,346	217,018	431,364
Other revenue	-	-	-	1,025,241	1,025,241
Capital grants, subsidies and contributions	-	1,234,106	-	-	1,234,106
<b>Total</b>	<b>18,987,996</b>	<b>1,234,106</b>	<b>44,537,225</b>	<b>6,705,176</b>	<b>71,464,503</b>

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(a) Revenue (Continued)**

Note	2023 Actual \$	2022 Actual \$
<b>Interest revenue</b>		
Interest on reserve account funds	1,225,190	139,619
Trade and other receivables overdue interest	17,806	14,331
Other interest revenue	226,241	59,754
	1,469,237	213,704
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan and penalty interest	339,418	217,660

**(b) Expenses**

<b>Auditors remuneration</b>		
- Audit of the annual financial report	68,800	53,350
- Other services	10,900	2,588
	79,700	55,938
<b>Employee Costs</b>		
Employee benefit costs	26,319,506	24,632,682
	26,319,506	24,632,682
<b>Finance costs</b>		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	223,528	231,352
Lease liabilities	467	8,466
	223,995	239,818
<b>Other expenditure</b>		
Service charges resulting from prior year correction	-	8,951,536
Sundry expenses	924,857	6,634
	924,857	8,958,170

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**3. CASH AND CASH EQUIVALENTS**

Note	2023 \$	2022 \$
Cash at bank and on hand	28,206,012	24,726,760
Term deposits	-	-
Bank overdraft	-	-
<b>Total cash and cash equivalents</b>	17(a) 28,206,012	24,726,760
Held as		
- Unrestricted cash and cash equivalents	9,036,008	8,742,603
- Restricted cash and cash equivalents	17(a) 19,170,004	15,984,157
	28,206,012	24,726,760

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**4. OTHER FINANCIAL ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Current assets</b>		
Financial assets at amortised cost	27,000,000	26,000,000
	<u>27,000,000</u>	<u>26,000,000</u>
<b>Other financial assets at amortised cost</b>		
Term deposits	27,000,000	26,000,000
	<u>27,000,000</u>	<u>26,000,000</u>
Held as		
- Restricted other financial assets at amortised cost	27,000,000	26,000,000
	<u>27,000,000</u>	<u>26,000,000</u>
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit or loss	40,745	36,903
	<u>40,745</u>	<u>36,903</u>
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	36,903	36,903
Movement attributable to fair value increment	3,842	-
Units in Local Government House Trust - closing balance	<u>40,745</u>	<u>36,903</u>

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA. The Town purchased 2 units in the Trust.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates).

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

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

The Town has elected to classify the following financial assets at fair value through profit or loss:

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

**Impairment and risk exposure**

Information regarding impairment and exposure to risk can be found at Note 22.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**5. TRADE AND OTHER RECEIVABLES**

	Note	2023 \$	2022* \$
<b>Current</b>			
Rates and statutory receivables		5,172,274	2,912,269
Trade receivables		1,144,764	715,120
GST receivable		639,764	714,190
Underground power receivables		1,296,457	1,640,509
Allowance for credit losses of trade and other receivables	22(b)	(91,367)	(395,071)
ESL		-	441,231
Infringements		-	1,091,606
Prepayments		-	1,282
		8,161,892	7,121,136
<b>Non-current</b>			
Rates and statutory receivables		321,483	275,638
Underground power receivables		3,823,581	4,355,821
		4,145,064	4,631,459

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

	Note	30 June 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:				
Contract assets	7	453,905	-	-
Allowance for credit losses of trade and other receivables	5	(91,367)	(395,071)	50,678
Total trade and other receivables from contracts with customers		362,538	(395,071)	50,678

\*Restated - refer to note 30 Correction of Period Error.

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**6. INVENTORIES**

<b>Note</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Stock items	58,808	23,397
Land held for resale		
Cost of acquisition	2,038,136	311,945
	<b>2,096,944</b>	<b>335,342</b>
<b>Non-current</b>		
Land held for resale		
Cost of acquisition	41,986	31,551
Development costs	-	1,736,627
	<b>41,986</b>	<b>1,768,178</b>
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	2,103,520	1,333,739
Additions to inventory	35,410	769,781
<b>Balance at end of year</b>	<b>2,138,930</b>	<b>2,103,520</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Borrowing 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 onto the buyer at this point.

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



**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**7. OTHER ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Accrued income	851,142	-
Contract assets	453,905	-
	<b>1,305,047</b>	<b>-</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Non-current assets held for sale**

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

**Contract assets**

Contract assets primarily relate to the Town's right to consideration for work completed but not billed at the end of the period. Impairment of assets associated with contracts with customers are detailed at Note 22(b).

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Information Technology	Total property, plant and equipment
	\$	\$		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	205,188,108	62,377,775	267,565,883	434,123	2,181,673	830,315	271,011,994
Additions	358	687,528	687,886	37,085	377,893	138,907	1,241,771
Disposals	(298,241)	(211,824)	(510,065)	-	(132,554)	-	(642,619)
Depreciation	-	(2,291,021)	(2,291,021)	(59,150)	(387,818)	(90,246)	(2,828,235)
<b>Balance at 30 June 2022</b>	204,890,225	60,562,458	265,452,683	412,058	2,039,194	878,976	268,782,911
<b>Comprises:</b>							
Gross balance amount at 30 June 2022	204,890,225	119,672,525	324,562,750	1,551,584	2,914,724	1,419,837	330,448,895
Accumulated depreciation at 30 June 2022	-	(59,110,067)	(59,110,067)	(1,139,526)	(875,530)	(540,861)	(61,665,984)
<b>Balance at 30 June 2022</b>	204,890,225	60,562,458	265,452,683	412,058	2,039,194	878,976	268,782,911
Additions	3,310	400,701	404,011	446,524	586,704	130,347	1,567,586
Disposals	(383,608)	(22,243)	(405,851)	-	(58,370)	-	(464,221)
Revaluation increments / (decrements) transferred to revaluation surplus	30,356,290	22,953,526	53,309,816	-	-	-	53,309,816
Depreciation	-	(2,320,553)	(2,320,553)	(96,679)	(371,164)	(225,575)	(3,013,971)
<b>Balance at 30 June 2023</b>	234,866,217	81,573,889	316,440,106	761,903	2,196,364	783,748	320,182,121
<b>Comprises:</b>							
Gross balance amount at 30 June 2023	234,866,217	133,206,889	368,073,106	1,998,108	3,321,428	1,550,184	374,942,826
Accumulated depreciation at 30 June 2023	-	(51,633,000)	(51,633,000)	(1,236,205)	(1,125,064)	(766,436)	(54,760,705)
<b>Balance at 30 June 2023</b>	234,866,217	81,573,889	316,440,106	761,903	2,196,364	783,748	320,182,121

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(b) Carrying Value Measurements**

	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>						
	<b>Land and buildings</b>					
	Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2023	Price per hectare / market borrowing rate
	Buildings	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2023	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition, residual values and remaining useful life assessment.
	Buildings - specialised					
	Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
	During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>						
	<b>Furniture and equipment</b>		Cost approach	Cost	June 2023	Purchase cost
	<b>Plant and equipment</b>		Cost approach	Cost	June 2023	Purchase cost
	<b>Buildings - work in progress</b>		Cost approach	Cost	June 2023	Purchase cost

**TOWN OF VICTORIA PARK  
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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - pathways	Infrastructure - drainage	Infrastructure - parks	Infrastructure - artwork	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	179,460,707	32,981,761	34,264,406	8,590,549	363,461	8,787,902	264,448,786
Additions	4,356,326	275,328	438,428	1,653,357	-	343,636	7,067,075
(Disposals)	(1,134,294)	(53,602)	(81,710)	(6,639)	-	-	(1,276,245)
Depreciation	(4,545,365)	(1,213,338)	(456,104)	(433,760)	(25,885)	(463,806)	(7,138,258)
<b>Balance at 30 June 2022</b>	178,137,374	31,990,149	34,165,020	9,803,507	337,576	8,667,732	263,101,358
<b>Comprises:</b>							
Gross balance at 30 June 2022	230,966,221	39,994,327	48,813,725	14,539,896	429,851	18,826,384	353,570,404
Accumulated depreciation at 30 June 2022	(52,828,847)	(8,004,178)	(14,648,705)	(4,736,389)	(92,275)	(10,158,652)	(90,469,046)
<b>Balance at 30 June 2022</b>	178,137,374	31,990,149	34,165,020	9,803,507	337,576	8,667,732	263,101,358
Additions	4,517,812	146,955	22,361	472,834	-	177,522	5,337,484
(Disposals)	(429,213)	(234,908)	-	(411,176)	-	(259,044)	(1,334,341)
Revaluation increments / (decrements) transferred to revaluation surplus	26,299,794	422,894	-	1,508,481	-	2,013,353	30,244,522
Depreciation	(4,614,264)	(1,216,717)	(458,156)	(443,935)	(25,885)	(447,755)	(7,206,712)
<b>Balance at 30 June 2023</b>	203,911,503	31,108,373	33,729,225	10,929,711	311,691	10,151,808	290,142,311
<b>Comprises:</b>							
Gross balance at 30 June 2023	272,629,582	46,941,667	48,836,075	16,201,143	429,851	16,507,799	401,546,117
Accumulated depreciation at 30 June 2023	(68,718,079)	(15,833,294)	(15,106,850)	(5,271,432)	(118,160)	(6,355,991)	(111,403,806)
<b>Balance at 30 June 2023</b>	203,911,503	31,108,373	33,729,225	10,929,711	311,691	10,151,808	290,142,311

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
	<b>Infrastructure - roads</b>	3	Cost approach, using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments including the cost of removal and disposal of existing assets
	<b>Infrastructure - pathways</b>	3	Cost approach, using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments including the cost of removal and disposal of existing assets
	<b>Infrastructure - drainage</b>	3	Cost approach, using current replacement cost	Independent valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments including the cost of removal and disposal of existing assets
	<b>Infrastructure - parks</b>	3	Cost approach, using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments including the cost of removal and disposal of existing assets
	<b>Infrastructure - artwork</b>	3	Cost approach, using current replacement cost	Independent valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments including the cost of removal and disposal of existing assets

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 VICTORIA PARK  
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**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life Years</b>
Land - freehold land	Infinite
Buildings	15 - 80
Furniture and equipment	5 - 40
Plant and equipment	10 - 25
Information Technology	7 - 30
Infrastructure - roads	15 - 80
Infrastructure - pathways	15 - 45
Infrastructure - drainage	100 - 120
Infrastructure - parks	2 - 80
Other infrastructure	10 - 175

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Town which are currently in use yet fully depreciated are shown in the table below.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Buildings	1,009,800	960,600
Infrastructure - roads	306,374	155,534
Infrastructure - parks	298,569	159,354
Other infrastructure	36,649	36,649
	<b>1,651,392</b>	<b>1,312,137</b>

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**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 any accumulated depreciation and impairment losses.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with Financial Management Regulation 17A. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

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

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

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, 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 that are land, buildings, infrastructure, and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with Financial Management Regulation 17A(4).

**Revaluation**

The fair value of land, buildings, infrastructure, and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Town.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with Financial Management Regulation 17A(2) which requires land, buildings infrastructure, investment on vested land acquired by the Town.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with Financial Management Regulation 17A(2) which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.

**Impairment**

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 or losses on disposal**

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

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**11. LEASES**

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

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - information technology \$	Right-of-use assets Total \$
<b>Balance at 1 July 2021</b>		83,547	83,547
Depreciation		(66,838)	(66,838)
<b>Balance at 30 June 2022</b>		16,709	16,709
Gross balance amount at 30 June 2022		200,514	200,514
Accumulated depreciation at 30 June 2022		(183,805)	(183,805)
<b>Balance at 30 June 2022</b>		16,709	16,709
Depreciation		(16,709)	(16,709)
<b>Balance at 30 June 2023</b>		-	-
Gross balance amount at 30 June 2023		200,514	200,514
Accumulated depreciation at 30 June 2023		(200,514)	(200,514)
<b>Balance at 30 June 2023</b>		-	-

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(16,709)	(66,838)
Finance charge on lease liabilities	(467)	(8,466)
<b>Total amount recognised in the statement of comprehensive income</b>	(17,176)	(75,304)
Total cash outflow from leases	(20,536)	(82,144)
<b>(b) Lease Liabilities</b>		
Current	-	20,069
	28(c)	20,069

**Secured liabilities and assets pledged as security**

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



**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**11. LEASES (Continued)**

**(b) Lease Liabilities (continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Details of individual lease liabilities required by regulations are provided at Note 28(c).

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

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

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

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

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

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**11. LEASES (Continued)**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
	23,731	20,069
	33,759	-
	72,456	-
	104,287	-
	<b>234,233</b>	<b>20,069</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**The Town as Lessor**

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

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

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

When a contract is determined to include lease and non-lease components, the Town applies AASB 15 to allocate the consideration under the contract to each component.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**12. TRADE AND OTHER PAYABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Sundry creditors	2,953,260	3,024,247
Prepaid rates	482,105	1,008,669
Accrued creditor liabilities	643,520	648,603
Accrued payroll liabilities	804,854	255,003
Bonds and deposits held	1,474,544	1,473,193
Payables	-	61,978
	<b>6,358,283</b>	<b>6,471,693</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled, or expired.

The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the 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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

**TOWN OF VICTORIA PARK  
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**13. OTHER LIABILITIES**

	2023	2022
	\$	\$
<b>Current</b>		
Contract liabilities	329,832	124,125
Capital grant/contributions liabilities	2,960,703	2,686,428
	<u>3,290,535</u>	<u>2,810,553</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	124,125	-
Additions	329,832	124,125
Revenue from contracts with customers included as a contract liability at the start of the period	(124,125)	-
	<u>329,832</u>	<u>124,125</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$329,832 (2022: \$124,125)

The Town expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance	2,686,428	-
Additions	274,275	2,686,428
	<u>2,960,703</u>	<u>2,686,428</u>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	2,960,703	2,686,428
	<u>2,960,703</u>	<u>2,686,428</u>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24) due to the unobservable inputs, including own credit risk.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**14. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Loans		2,990,300	9,447,756	12,438,056	3,038,595	12,438,056	15,476,651
<b>Total secured borrowings</b>	28(a)	2,990,300	9,447,756	12,438,056	3,038,595	12,438,056	15,476,651

**Secured liabilities and assets pledged as security**

Loans are secured by a floating charge over the assets of the Town of Victoria Park.

The Town of Victoria Park has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24) due to the unobservable inputs, including own credit risk.

**Risk**

Details of individual borrowings required by regulations are provided at Note 28(a).

Information regarding exposure to risk can be found at Note 22.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	2,057,185	2,039,931
Long service leave	1,646,359	1,473,189
Other employee leave provisions	1,006,490	730,045
	<u>4,710,034</u>	<u>4,243,165</u>
<b>Employee related other provisions</b>		
Employment on-costs	256,722	-
	<u>256,722</u>	<u>-</u>
<b>Total current employee related provisions</b>	<u>4,966,756</u>	<u>4,243,165</u>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	328,085	328,352
Other employee leave provisions	29,383	31,149
	<u>357,468</u>	<u>359,501</u>
<b>Total non-current employee related provisions</b>	<u>357,468</u>	<u>359,501</u>
<b>Total employee related provisions</b>	<u>5,324,224</u>	<u>4,602,666</u>

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

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

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		1,460,601	1,203,559
More than 12 months from reporting date		3,863,623	3,399,107
		<u>5,324,224</u>	<u>4,602,666</u>
Expected reimbursements of employee related provisions from other WA local governments included within other receivables		-	178,894

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

Provision is made for the Town's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the benefits) termination 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.

**Other long-term employee benefits**

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

The 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.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**16. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	186,314,867	30,356,290	216,671,157	186,314,867	-	186,314,867
Revaluation surplus - Buildings	34,272,404	22,953,526	57,225,930	34,272,404	-	34,272,404
Revaluation surplus - Infrastructure - roads	162,531,117	26,299,794	188,830,911	162,531,117	-	162,531,117
Revaluation surplus - Infrastructure - pathways	29,038,614	422,894	29,461,508	29,038,614	-	29,038,614
Revaluation surplus - Infrastructure - drainage	30,378,975	-	30,378,975	30,378,975	-	30,378,975
Revaluation surplus - Infrastructure - parks	-	1,508,481	1,508,481	-	-	-
Revaluation surplus - Other infrastructure	-	2,013,353	2,013,353	-	-	-
	<b>442,535,977</b>	<b>83,554,338</b>	<b>526,090,315</b>	<b>442,535,977</b>	<b>-</b>	<b>442,535,977</b>
Revaluation surplus - Share from investments in associates	3,874,697	854,776	4,729,473	2,196,341	1,678,356	3,874,697
	<b>446,410,674</b>	<b>84,409,114</b>	<b>530,819,788</b>	<b>444,732,318</b>	<b>1,678,356</b>	<b>446,410,674</b>

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. 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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2023 Actual \$	2022* Actual \$
Cash and cash equivalents	3	28,206,012	24,726,760
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	19,170,004	15,984,157
- Financial assets at amortised cost	4	27,000,000	26,000,000
		46,170,004	41,984,157
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	42,713,912	38,184,376
Contract liabilities	13	329,832	124,125
Capital grant liabilities	13	2,960,703	2,686,428
Unspent loans	28(b)	165,557	989,228
<b>Total restricted financial assets</b>		46,170,004	41,984,157

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

Net result		3,108,550	(815,982)
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(3,842)	-
Depreciation/amortisation		10,237,392	10,007,446
(Profit)/loss on sale of asset		1,644,736	1,399,321
Share of profits of associates		(613,622)	258,752
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(554,361)	(7,030,970)
(Increase)/decrease in other assets		(1,305,047)	-
(Increase)/decrease in investment in associate		(944,034)	8,120
(Increase)/decrease in inventories		(35,410)	(769,781)
Increase/(decrease) in trade and other payables		(113,410)	(55,602)
Increase/(decrease) in employee related provisions		721,558	(447,615)
Increase/(decrease) in other liabilities		479,982	(525,142)
Capital grants, subsidies and contributions		(2,174,270)	(1,234,106)
<b>Net cash provided by/(used in) operating activities</b>		10,448,222	794,441

\*Restated - refer to note 30 Correction of Prior Period Error.



**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)**

**(c) Undrawn Borrowing Facilities**

Note	2023 Actual \$	2022 Actual \$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	-	9,000,000
Credit card limit	50,000	23,000
Credit card balance at balance date	12,395	13,340
<b>Total amount of credit unused</b>	<b>62,395</b>	<b>9,036,340</b>
<b>Loan facilities</b>		
Loan facilities - current	2,990,300	3,038,595
Loan facilities - non-current	9,447,756	12,438,056
<b>Total facilities in use at balance date</b>	<b>12,438,056</b>	<b>15,476,651</b>
<b>Unused loan facilities at balance date</b>	<b>165,557</b>	<b>989,228</b>

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**18. CONTINGENT LIABILITIES**

Under the *Contaminated Sites Act 2003* the Town is required to report known and suspected contaminated sites to the Department of Water and Environmental Protection (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as “contaminated – remediation required” or “possibly contaminated – investigation required”, the Town may have a liability in respect of investigation or remediation expenses.

The Town has identified one site as contaminated - remediation required. Refer to details in Note 21(d). Until the Town conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with DWER on the need and criteria for remediation, the Town is unable to estimate the potential costs and timing outflows associated with remediation of this site.

**19. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	2,487,208	277,574
- plant & equipment purchases	442,641	436,842
	<b>2,929,849</b>	<b>714,416</b>
Payable:		
- not later than one year	2,929,849	714,416

**SIGNIFICANT ACCOUNTING POLICIES**

**Capital Commitments**

The capital expenditure commitment outstanding at the end of the current reporting period represents commitments relating to property, plant, equipment and infrastructure projects that have been carried forward to next financial year.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Mayor's annual allowance	64,938	64,938	63,355
Mayor's meeting attendance fees	31,928	31,928	31,149
Mayor's other expenses	-	500	450
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	102	889	1,147
	100,468	101,755	99,601
Deputy Mayor's annual allowance	16,857	16,234	11,196
Deputy Mayor's meeting attendance fees	23,188	23,811	23,230
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	-	889	-
	43,545	44,434	37,926
All other council member's meeting attendance fees	159,828	166,677	162,610
All other council member's All other council member expenses	-	-	4,643
All other council member's annual allowance for ICT expenses	23,493	24,500	24,500
All other council member's travel and accommodation expenses	-	6,223	-
	183,321	197,400	191,753
20(b)	327,334	343,589	329,280

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

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	1,188,865	948,303
Post-employment benefits	114,423	100,928
Employee - other long-term benefits	213,196	19,903
Council member costs	327,334	329,280
20(a)	1,843,818	1,398,414

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**20. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

		<b>2023 Actual</b>	<b>2022 Actual</b>
		\$	\$
Sale of goods and services		-	4,750
Purchase of goods and services		-	1,000
<b>Investments in associates:</b>			
Distributions received from investments in associates	21(c)	1,666,668	833,334
Contributions for investments in associates	21(b)	-	7,083,333

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

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b).

ii. Entities subject to significant influence by the Town

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

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. INVESTMENT IN ASSOCIATES**

**(a) Investment in associates**

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

Name of entity	% of ownership interest		2023	2022
	2023	2022	Actual	Actual
Mindarie Regional Council (Refer to Note 21(b))	8.33%	8.33%	\$ 11,055,701	\$ 9,668,428
Tamala Park Regional Council (Refer to Note 21(c))	8.33%	8.33%	3,901,482	4,542,991
<b>Total equity-accounted investments</b>			<b>14,957,183</b>	<b>14,211,419</b>

**(b) Share of investment in Mindarie Regional Council**

The Town, along with 6 other local governments is a member of the Mindarie Regional Council. The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site on Mindarie Super Lot 118. The Town has contributed its share of the land and establishment costs of the refuse disposal facility and it uses the refuse disposal facility operated by Mindarie Regional Council to deposit non-recyclable waste collected as part of the Town's domestic and commercial waste services.

	Note	2023 Actual	2022 Actual
<b>Summarised statement of comprehensive income</b>		\$	\$
Revenue		39,111,122	43,272,034
Interest revenue		1,512,800	154,778
Finance charge		(1,074,941)	(1,275,947)
Depreciation		(7,606,255)	(11,525,324)
Profit/(loss) from continuing operations		6,430,026	(12,651,628)
Profit/(loss) for the period		6,430,026	(12,651,628)
Other comprehensive income		10,263,654	20,140,272
Total comprehensive income for the period		16,693,680	7,488,644
<b>Summarised statement of financial position</b>			
Cash and cash equivalents		20,262,141	46,565,765
Other current assets		44,011,271	3,715,727
Total current assets		64,273,412	50,281,492
Non-current assets		100,324,693	95,598,663
Total assets		164,598,105	145,880,155
Current financial liabilities		4,144,896	4,318,590
Other current liabilities		1,383,485	1,287,187
Total current liabilities		5,528,381	5,605,777
Non-current financial liabilities		-	-
Other non-current liabilities		26,354,914	24,253,248
Total non-current liabilities		26,354,914	24,253,248
Total liabilities		31,883,295	29,859,025
<b>Net assets</b>		132,714,810	116,021,130
<b>Reconciliation to carrying amounts</b>			
Opening net assets 1 July		116,021,130	23,532,486
Changes in members contributions		-	85,000,000
Profit/(Loss) for the period		6,430,026	(12,651,628)
Other comprehensive income		10,263,654	20,140,272
Closing net assets 1 July		132,714,810	116,021,130
<b>Carrying amount at 1 July</b>		9,668,428	1,961,041
- Share of associates net profit/(loss) for the period	21(e)	535,836	(1,054,302)
- Share of associates net profit/(loss) for the prior period adjustment		(3,868)	-
- Share of associates other comprehensive income arising during the period	21(e)	855,305	1,678,356
- Distribution of equity by associate		-	-
- Contribution to equity in associate		-	7,083,333
<b>Carrying amount at 30 June (Refer to Note 21(a))</b>		11,055,701	9,668,428

**TOWN OF VICTORIA PARK  
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**21. INVESTMENT IN ASSOCIATES (Continued)**

**(c) Share of investment in Tamala Park Regional Council (subsequently renamed Catalina Regional Council)**

The Town, along with 6 other local governments is a member of the Tamala Park Regional Council.

The Tamala Park Regional Council's activities centre around the development of part Lot 118 Mindarie. Lot 118 was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council. This lot is now being developed with a purpose of creating a new urban land development and a new urban community.

The investment in the Tamala Park Regional Council has been recognised at the value of its equity contributions. The Town has undertaken a revaluation of its investments to fair value according to *Local Government (Financial Management) Regulations 1996*.

<b>Summarised statement of comprehensive income</b>	<b>Note</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
		\$	\$
Revenue		1,277,146	322,628
Interest revenue		1,249,328	304,540
Finance charge		(3,614)	(1,757)
Depreciation		(45,082)	(44,821)
Profit/(loss) from continuing operations		1,001,969	(688,875)
Profit/(loss) for the period		1,001,969	(688,875)
Other comprehensive income		(6,353)	-
Total comprehensive income for the period		995,616	(688,875)
<b>Summarised statement of financial position</b>			
Cash and cash equivalents		12,294,817	16,310,346
Other current assets		32,578,497	36,768,689
Total current assets		44,873,314	53,079,035
Non-current assets		2,640,157	1,786,027
Total assets		47,513,471	54,865,062
Current financial liabilities		497,176	162,938
Other current liabilities		62,746	53,548
Total current liabilities		559,922	216,486
Non-current financial liabilities		-	-
Other non-current liabilities		113,627	132,683
Total non-current liabilities		113,627	132,683
Total liabilities		673,549	349,169
<b>Net assets</b>		46,839,922	54,515,893
<b>Reconciliation to carrying amounts</b>			
Opening net assets 1 July		54,515,893	54,969,292
Changes in members contributions		(8,671,588)	235,476
Profit/(Loss) for the period		1,001,969	(688,875)
Other comprehensive income		(6,353)	-
Closing net assets 1 July		46,839,921	54,515,893
<b>Carrying amount at 1 July</b>		4,542,991	4,580,775
- Share of associates net profit/(loss) for the period	21(e)	83,464	(57,406)
- Adjustment		(1,810)	-
- Change in contributed equity		944,034	852,956
- Share of associates other comprehensive income arising during the period	21(e)	(529)	-
- Distribution of equity by associate		(1,666,668)	(833,334)
<b>Carrying amount at 30 June (Refer to Note 21(a))</b>		3,901,482	4,542,991

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

**(d) Contingent liabilities from investments in associates**

**Contingent liabilities - associates**

**Share of contingent liabilities incurred jointly with other investors of the associate**

In February 2020, MRC received its first Mandatory Auditor's Report (MAR) as requested by the Department of Water and Environmental Regulation (DWER) in respect to the Tamala Park Waste Management Facility (TPWMF) site. Among other things, the purpose of the MAR is to confirm that earlier investigations adequately characterised the contamination status of the site and whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.

The MRC received a second iteration of the MAR in November 2021, which has further assessed the contamination status of the site. In reaching their conclusion, the independent auditor has evaluated the information contained in the investigative reports as generally complete, accurate and compliant with the relevant guidelines. Also, the assessments were sufficient to define the potential extent and types of contamination.

The MAR auditor has determined, based on the analysis contained in the assessed reports, that the site remains suitable for ongoing use as a Class II landfill ('source site'). Likewise, the affected site to the north of the facility remains suitable for its current use as a development buffer zone ('affected site'). A summary of findings for the source site are listed below; Source site:-

- All soil samples returned results below established criteria.
- Groundwater results indicate impact to the aquifer immediately below the landfill levels above relevant drinking water established criteria, although some results are reflective of naturally occurring conditions. Groundwater on site remains suitable for controlled industrial use on site without an unacceptable risk.
- Landfill gas results indicate that the existing extraction system is working effectively, with negligible detection of landfill gas outside the extraction network.

Affected site:

- Groundwater results indicate some contaminants above relevant drinking water established criteria. Elevated levels of some identified contaminants are also known to occur naturally in the local environment.
- No landfill gas detected outside the site boundary.

Currently, DWER has classified the site as "Contaminated – Remediation Required" and the affected site as "Contaminated – Restricted Use".

The MAR report received in November 2021 required further investigation to confirm 2 main areas:

- Adequacy of the landfill gas monitoring network and assessment of the potential for offsite migration of landfill gas
- Ongoing assessment of landfill gas and groundwater as part of the ongoing Site Management Plan to inform long term trends and need for mitigation measures.

Since receiving the MAR in November 2021:

**Groundwater monitoring**

The MRC has commissioned 2 rounds of groundwater testing (December 2021 and June 2021), with the final report on the testing received August 2022. One of the report's conclusions was based on the groundwater monitoring results in 2021, no significant changes to the overall risk profile at the TPWMF, buffer zone and nearby residential development have been identified, compared to the 2020 assessment. This report also recommended ongoing monitoring required and the recommendation to rationalise the groundwater monitoring network and the number of analytical suites included in each sampling round.

**Site management plan (SMP)**

A SMP was developed and received in May 2022 for the MRC. The SMP is required to provide a management plan for the site to ensure that potential risks associated with soil, landfill gas and groundwater contaminants are appropriately managed for the ongoing use of the site as a landfill facility and leachate management. There are no specific "results" from this plan. This Plan remains an evolving document that addresses the overall management of landfill gas and groundwater based on the latest advice.

**Landfill gas monitoring**

The most recent gas monitoring report was obtained in Sept 2021 which covered 3 sampling rounds (January to March 2021). One of the report's conclusions was "Under the current site conditions (i.e. active landfill gas extraction and continuous landfill gas monitoring in the workshop), the risks to the site's workers and off-site residents from landfill gas are considered low. The risk to site's infrastructure and terrestrial ecosystem is however considered Negligible." Gas testing was also conducted in December 2021 and October 2022, however, the MRC has not yet received the gas monitoring report for these tests.

At this time, the MRC has no new information to suggest that an additional landfill rehabilitation provision is required to address any specific remediation requirements, nor do the recommendations from groundwater or gas reports recommend any such action.

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

**(e) Share of associates**

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Net profit/(loss) for the period</b>		
Share of investment in Mindarie Regional Council (refer to Note 21(b))	535,836	(1,054,302)
- adjustment to prior year	(3,868)	-
Share of investment in Tamala Park Regional Council (subsequently renamed Catalina Regional Council) (refer to Note 21(c))	83,464	(57,406)
- adjustment to prior year	(1,810)	-
	<u>613,622</u>	<u>(1,111,708)</u>
<b>Other comprehensive income for the period</b>		
Share of investment in Mindarie Regional Council (refer to Note 21(b))	855,305	1,678,356
Share of investment in Tamala Park Regional Council (subsequently renamed Catalina Regional Council) (refer to Note 21(c))	(529)	-
	<u>854,776</u>	<u>1,678,356</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Investments in associates**

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

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



**TOWN OF VICTORIA PARK  
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FOR THE YEAR ENDED 30 JUNE 2023**

**22. FINANCIAL RISK MANAGEMENT**

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Cash and cash equivalents	0.60%	28,206,012	-	28,206,012	-
Financial assets at amortised cost - term deposits	4.27%	27,000,000	27,000,000	-	-
<b>2022</b>					
Cash and cash equivalents	0.20%	24,726,760	-	24,726,760	-
Financial assets at amortised cost - term deposits	0.76%	26,000,000	26,000,000	-	-

**Sensitivity**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	282,060	247,268

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The 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 Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

**TOWN OF VICTORIA PARK  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2023</b>					
Rate & underground power receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	-
Gross carrying amount	-	-	-	6,468,731	6,468,731
Loss allowance	-	-	-	-	-
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	68.63%	-
Gross carrying amount	116,640	(3,738)	53,582	18,442	184,926
Loss allowance	-	-	-	12,657	12,657
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	9.70%	-
Gross carrying amount	82,625	38,150	27,619	811,444	959,838
Loss allowance	-	-	-	78,710	78,710
Total					
Gross carrying amount	199,265	34,412	81,201	7,298,617	7,613,495
Loss Allowance	-	-	-	91,367	91,367
<b>30 June 2022</b>					
Rate & underground power receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	-
Gross carrying amount	-	-	-	4,552,778	4,552,778
Loss allowance	-	-	-	-	-
Trade receivables					
Expected credit loss	2.19%	3.36%	5.06%	43.86%	-
Gross carrying amount	647,154	29,440	12,611	29,016	718,221
Loss allowance	13,731	989	638	12,726	28,084
Other receivables					
Expected credit loss	2.19%	3.36%	5.06%	43.86%	-
Gross carrying amount	136,390	80,025	54,574	817,488	1,088,477
Loss allowance	2,987	2,689	2,761	358,550	366,987
Total					
Gross carrying amount	783,544	109,465	67,185	5,399,282	6,359,476
Loss Allowance	16,718	3,678	3,399	371,276	395,071

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

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

	Trade receivables		Other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 28,084	\$ -	\$ 366,987	\$ 190,212	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	12,657	28,084	78,710	366,987	-	-
Receivables written off during the year as uncollectible	-	-	(136,455)	(35,443)	-	-
Unused amount reversed	(28,084)	-	(230,532)	(154,769)	-	-
<b>Closing loss allowance at 30 June</b>	<b>12,657</b>	<b>28,084</b>	<b>78,710</b>	<b>366,987</b>	<b>-</b>	<b>-</b>

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

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

**Contract Assets**

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

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

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The 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 and disclosed in Note 17(c).

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Trade and other payables	5,646,584	-	-	5,646,584	6,358,283
Borrowings	2,990,300	8,988,956	458,800	12,438,056	12,438,056
	<u>8,636,884</u>	<u>8,988,956</u>	<u>458,800</u>	<u>18,084,640</u>	<u>18,796,339</u>
<b>2022</b>					
Trade and other payables	6,924,638	-	-	6,924,638	6,471,693
Borrowings	3,038,595	11,979,226	458,800	15,476,621	15,476,651
Lease liabilities	20,069	-	-	20,069	20,069
	<u>9,983,302</u>	<u>11,979,226</u>	<u>458,800</u>	<u>22,421,328</u>	<u>21,968,413</u>

**TOWN OF VICTORIA PARK  
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**23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There are no events occurring after the end of the financial year which have significantly affected or may significantly affect the operations of The Town of Victoria Park.

**TOWN OF VICTORIA PARK  
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**24. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 or non-current based on the Town's intentions to release for sale.

**Rounding off figures**

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

**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 statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

**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

**Fair value of assets and liabilities**

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.

**Interest revenue**

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

**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.

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**24. OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Income approach**

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

**Cost approach**

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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.

**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.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Program Name and Objective</b>	<b>Activities</b>
<p><b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of Councils and the administrative support available to the Council for the provision of governance of the district. Other costs relates to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.
<p><b>General purpose funding</b> To collect revenue to finance Council activities.</p>	Includes the activities of collection rates including differential rates and interim rates, interest and fees on instalment arrangements and interest on arrears. Amounts receivable from the Western Australian Local Government Grants Commission for untied grants such as the Financial Assistance Grants. Interest revenue received on municipal and reserve investments is allocated to this program.
<p><b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.</p>	Provision of community safety through ranger services and equitable parking management services including registering and impounding of cats and dogs. Revenue allocated to this program includes cat and dog registrations, infringements, fees and charges and prosecutions.
<p><b>Health</b> To provide an operational framework for good community health.</p>	Administration, inspection and operation of programs concerned with the general health of the community through the environmental health area. Revenues and expenses relating to regulation and monitoring of food premises including food sample analysis and noise complaints.
<p><b>Education and welfare</b> To assist in meeting the education needs of the community.</p>	Administration, support and operation of services for children, youth, seniors and persons with a disability. Provision of community development programs such as community grant .
<p><b>Community amenities</b> To provide services required by the community.</p>	Administration and operation of the refuse collection and disposal services. Provision of programs for the management and protection of the environment including the Grow it local program. The administration of strategic town planning schemes, planning applications and associated land issues.
<p><b>Recreation and culture</b> To establish and manage facilities for the well-being of the community.</p>	Administration and operation of the community halls, recreation centres (Aqualife and Leisurelife), parks, sporting facilities and Libraries. Provision of heritage and community programs and events such as Anzac Day Citizenship ceremonies, Remembrance day and Summer street party.
<p><b>Transport</b> To provide effective infrastructure to the community in the most efficient way.</p>	Administration, maintenance and construction of roads, drainage, footpaths, including road verges, streetscapes, crossovers, road signs, street trees, street signage and street lighting.
<p><b>Economic services</b> To promote the Town and improve its economic base.</p>	The development, promotion, support and research of economic development issues with the community and progression of urban development projects. Provision of building control and swimming pool inspection services. Revenue allocated to this program includes building application, permit / inspection fees and prosecution collections.
<p><b>Other property and services</b> To provide services required by the community.</p>	Provision of administrative, leadership, project management and plant operation services.



**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2023 Actual</b>	<b>2022* Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	-	80
General purpose funding	48,808,607	45,082,144
Law, order, public safety	3,106,138	3,176,131
Health	189,108	264,478
Education and welfare	142,743	268,501
Community amenities	1,706,901	1,275,094
Recreation and culture	4,791,003	4,826,574
Transport	178,761	266,073
Economic services	2,606,685	12,285,156
Other property and services	1,038,502	452,174
	<b>62,568,448</b>	<b>67,896,405</b>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	-	1,672,980
General purpose funding	1,813,151	100,774
Education and welfare	2,056	83,970
Recreation and culture	46,200	303,673
Transport	2,051,084	1,232,789
	<b>3,912,491</b>	<b>3,394,186</b>
<b>Total Income</b>	<b>66,480,939</b>	<b>71,290,591</b>
<b>Expenses</b>		
Governance	(384,398)	(744,651)
General purpose funding	(888,822)	(1,717,667)
Law, order, public safety	(3,755,503)	(3,434,040)
Health	(1,331,074)	(1,647,532)
Education and welfare	(1,579,209)	(2,600,421)
Community amenities	(8,326,159)	(14,130,020)
Recreation and culture	(16,083,625)	(18,218,344)
Transport	(13,393,775)	(14,861,566)
Economic services	(2,461,797)	(9,808,362)
Other property and services	(15,168,027)	(4,943,970)
<b>Total expenses</b>	<b>(63,372,389)</b>	<b>(72,106,573)</b>
<b>Net result for the period</b>	<b>3,108,550</b>	<b>(815,982)</b>

\*Restated - refer to note 30 Correction of Prior Period Error.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. FUNCTION AND ACTIVITY (Continued)**

**(c) Total Assets**

	<b>2023 Actual</b>	<b>2022* Actual</b>
	<b>\$</b>	<b>\$</b>
Governance	19,529,686	386,129
General purpose funding	369,123	16,363,416
Law, order, public safety	885,742	692,157
Health	43,730	34,460
Education and welfare	217,101	229,327
Community amenities	6,057,940	5,562,506
Recreation and culture	100,610,884	76,789,737
Transport	293,837,798	262,812,720
Economic services	15,735,925	18,591,716
Other property and services	257,665,586	227,736,554
Unallocated	1,325,790	1,533,453
	<b>696,279,305</b>	<b>610,732,175</b>

\*Restated - refer to note 30 Correction of Prior Period Error.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. RATING INFORMATION**

**General Rates**

<b>RATE TYPE</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2022/23 Actual Rateable Value*</b>	<b>2022/23 Actual Rate Revenue</b>	<b>2022/23 Actual Reassessed Rates</b>	<b>2022/23 Actual Total Revenue</b>	<b>2022/23 Budget Rate Revenue</b>	<b>2022/23 Budget Interim Rate</b>	<b>2022/23 Budget Total Revenue</b>	<b>2021/22 Actual Total Revenue</b>
Residential	Gross rental valuation	0.09563	12,712	232,762,461	22,259,077	182,841	22,441,918	22,245,020	100,000	22,345,020	21,461,308
Non-Residential	Gross rental valuation	0.10122	1,399	173,671,659	17,579,045	21,158	17,600,203	17,547,769	50,000	17,597,769	16,898,311
Vacant Land	Gross rental valuation	0.13389	254	12,472,475	1,669,940	98,121	1,768,061	1,568,888	100,000	1,668,888	1,613,091
<b>Total general rates</b>			14,365	418,906,595	41,508,062	302,120	41,810,182	41,361,677	250,000	41,611,677	39,972,710
<b>Minimum payment</b>		<b>\$</b>									
Residential	Gross rental valuation	1,186	3,324	35,601,934	3,942,264	(30,647)	3,911,617	3,949,380	-	3,949,380	3,814,467
Non-Residential	Gross rental valuation	1,233	172	1,721,178	212,076	-	212,076	231,804	-	231,804	204,852
Vacant Land	Gross rental valuation	1,566	216	1,908,998	338,256	(21,520)	316,736	338,256	-	338,256	330,850
<b>Total minimum payments</b>			3,712	39,232,110	4,492,596	(52,167)	4,440,429	4,519,440	-	4,519,440	4,350,169
<b>Total general rates and minimum payments</b>			18,077	458,138,705	46,000,658	249,953	46,250,611	45,881,117	250,000	46,131,117	44,322,879
<b>Total Rates</b>							46,250,611			46,131,117	44,322,879
Rate instalment interest							150,684			97,000	92,554
Rate overdue interest							163,558			77,000	121,791

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

\*Rateable Value at time of raising of rate.

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**27. DETERMINATION OF SURPLUS OR DEFICIT**

	2022/23 (30 June 2023 Carried Forward)	Budget 2022/23 (30 June 2023 Carried Forward)	Restated* 2022/23 (1 July 2022 Brought Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	(95,456)	(1,597,280)	(92,960)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,842)	-	-
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(613,622)	-	(787,429)
Less: Net share of interest in associate	(944,034)	-	(8,121)
Add: Loss on disposal of assets	1,740,192	26,417	1,492,281
Add: Depreciation	10,237,392	9,951,643	10,007,446
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost	-	-	-
Inventory - Land held for sale	(1,726,192)	-	(120,445)
Pensioner deferred rates	(45,845)	-	7,885
Underground power receivables	532,240	-	(4,351,587)
Assets held for sale	-	-	-
Employee benefit provisions	(2,033)	-	14,157
Inventory	1,726,192	-	(638,696)
<b>Non-cash amounts excluded from operating activities</b>	<b>10,804,992</b>	<b>8,380,780</b>	<b>5,522,531</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	29 (42,713,912)	(33,833,280)	(38,184,376)
Less: Current assets not expected to be received at end of year			
- Land held for resale	6 (2,038,136)	(191,500)	(311,945)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 2,990,300	2,162,745	3,038,595
- Current portion of lease liabilities	11(b) -	-	20,069
<b>Total adjustments to net current assets</b>	<b>(41,761,748)</b>	<b>(31,862,035)</b>	<b>(35,437,657)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	66,769,895	46,993,331	58,183,238
Less: Total current liabilities	(17,605,874)	(15,131,296)	(16,584,075)
Less: Total adjustments to net current assets	(41,761,748)	(31,862,035)	(35,437,657)
<b>Surplus or deficit after imposition of general rates</b>	<b>7,402,272</b>	<b>-</b>	<b>6,161,506</b>

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**28. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual							Budget			
		Principal		Repayments	Principal		Repayments	Principal		Repayments	Principal	
		Principal at 1 July 2021	New Loans 2021-22		Principal at 30 June 2022	New Loans 2022-23		Principal at 30 June 2023	Principal at 1 July 2022		New Loans 2022-23	Principal at 30 June 2023
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Fletcher Park		270,614	-	(39,866)	230,748	-	(41,827)	188,921	230,748	-	(41,828)	188,920
14 Kent Street		183,386	-	(88,297)	95,089	-	(95,089)	-	95,089	-	(95,089)	-
1 Harper Street		456,475	-	(103,651)	352,824	-	(110,338)	242,486	352,824	-	(110,338)	242,486
Depot Upgrade		229,169	-	(33,761)	195,408	-	(35,421)	159,987	195,408	-	(35,421)	159,987
SUPP6 <sup>1</sup>		15,646,241	-	(2,532,887)	13,113,354	-	(2,562,354)	10,551,000	13,113,353	-	(2,562,354)	10,550,999
NRUPP <sup>2</sup>		-	1,489,228	-	1,489,228	-	(193,566)	1,295,662	1,489,228	-	(193,556)	1,295,672
Edward Millen Site		-	0	-	-	-	-	-	-	2,200,000	(37,255)	2,162,745
<b>Total</b>		<b>16,785,885</b>	<b>1,489,228</b>	<b>(2,798,462)</b>	<b>15,476,651</b>	<b>-</b>	<b>(3,038,595)</b>	<b>12,438,056</b>	<b>15,476,650</b>	<b>2,200,000</b>	<b>(3,075,841)</b>	<b>14,600,809</b>
<b>Total Borrowings</b>	14	<b>16,785,885</b>	<b>1,489,228</b>	<b>(2,798,462)</b>	<b>15,476,651</b>	<b>-</b>	<b>(3,038,595)</b>	<b>12,438,056</b>	<b>15,476,650</b>	<b>2,200,000</b>	<b>(3,075,841)</b>	<b>14,600,809</b>

All other loan repayments were financed by general purpose revenue.

**Borrowing Finance Cost Payments**

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual	Budget	Actual
						Year ending 30 June 2023	Year ending 30 June 2023	Year ending 30 June 2022
						\$	\$	\$
Fletcher Park		11	WATC*	4.86%	04/05/2027	(10,712)	(10,712)	(12,368)
14 Kent Street		09	WATC*	7.55%	24/06/2023	(5,418)	(5,418)	(6,795)
1 Harper Street		10	WATC*	6.35%	28/04/2025	(20,680)	(20,680)	(26,216)
Depot Upgrade		12	WATC*	4.86%	04/05/2027	(9,072)	(9,072)	(10,474)
SUPP6 <sup>1</sup>		15	WATC*	1.16%	16/03/2027	(144,706)	(144,706)	(165,629)
NRUPP <sup>2</sup>		16	WATC*	3.11%	14/04/2029	(44,820)	(44,820)	(9,870)
<b>Total</b>						<b>(235,408)</b>	<b>(235,408)</b>	<b>(231,352)</b>
<b>Total Finance Cost Payments</b>						<b>(235,408)</b>	<b>(235,408)</b>	<b>(231,352)</b>

\* WA Treasury Corporation

<sup>1</sup> State Underground Power Program 6

<sup>2</sup> Network Renewal Undergrounding Program Pilot

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(b) Unspent Borrowings**

Particulars	Note	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
				\$	\$	\$	\$
Underground Power - NRUPP <sup>2</sup>		*WATC	19/04/2022	989,228	0	(823,671)	165,557
				989,228	0	(823,671)	165,557

\* WA Treasury Corporation

<sup>2</sup> Network Renewal Undergrounding Program Pilot

**(c) Lease Liabilities**

Particulars	Note	Actual						Budget				
		Principal		Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal		Principal at 30 June 2023	
		Principal at 1 July 2021	New Leases During 2021-22						Principal at 1 July 2022	New Leases During 2022-23		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Photocopier		93,747	0	(73,678)	20,069	0	(20,069)	0	20,068	0	(20,068)	0
<b>Total Lease Liabilities</b>	11(b)	93,747	-	(73,678)	20,069	-	(20,069)	-	20,068	-	(20,068)	-

**Lease Finance Cost Payments**

Particulars	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Photocopier		E6N0162072	MAIA Financials	1.16%	30/09/2022	(467)	467	(8,466)	48
<b>Total Finance Cost Payments</b>						(467)	467	(8,466)	

**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**29. RESERVE ACCOUNTS**

	2023 Actual	2023.00 Actual	2023 Actual	2023 Actual	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2022 Actual	2022 Actual	2022 Actual	2022 Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Public open space - cash in lieu	-	499,347	-	499,347	-	-	-	-	-	-	-	-
	-	499,347	-	499,347	-	-	-	-	-	-	-	-
<b>Restricted by council</b>												
(b) Building renewal	1,688,555	98,150	(21,000)	1,765,705	1,623,088	62,612	(295,000)	1,390,700	1,728,745	137,678	(177,868)	1,688,555
(c) Community art	681,533	30,946	(3,636)	708,843	680,324	3,958	(30,000)	654,282	663,116	20,917	(2,500)	681,533
(d) Covid-19 recovery reserve	-	-	-	-	-	-	-	-	1,621	1,314	(2,935)	-
(e) Drainage renewal	283,697	509,136	-	792,833	283,165	2,184	-	285,349	402,806	891	(120,000)	283,697
(f) Employee entitlement	100,000	56,950	-	156,950	100,000	100,772	-	200,772	-	100,000	-	100,000
(g) Edward Millen site	2,032,431	104,030	-	2,136,461	2,034,205	2,217,280	(4,200,000)	51,485	2,031,840	6,081	(5,490)	2,032,431
(h) Furniture and equipment renewal	668,074	18,906	-	686,980	666,848	5,136	(158,000)	513,984	703,146	2,013	(37,085)	668,074
(i) Future fund	11,134,575	2,729,243	(1,677,177)	12,186,641	11,232,444	2,043,799	(3,400,000)	9,876,243	17,404,689	813,218	(7,083,332)	11,134,575
(j) Future projects	460,600	10,672	-	471,272	192,736	3,553	-	196,289	192,556	268,044	-	460,600
(k) Harold Hawthorne - Carlisle memorial	183,957	5,150	-	189,107	185,542	1,420	-	186,962	183,408	549	-	183,957
(l) Information technology renewal	1,145,696	32,237	(72,347)	1,105,586	1,037,599	107,012	(186,220)	958,391	1,200,557	3,290	(58,151)	1,145,696
(m) Insurance risk	460,842	12,903	-	473,745	460,002	3,557	-	463,559	459,467	1,375	-	460,842
(n) Land asset optimisation	1,989,171	53,356	-	2,042,527	1,687,846	3,842,758	-	5,530,604	1,685,885	303,286	-	1,989,171
(o) Other infrastructure renewal	1,343,909	133,723	(167,061)	1,310,571	1,299,319	2,591	(785,000)	516,910	712,302	636,142	(4,535)	1,343,909
(p) Parking benefits	200,000	220,038	-	420,038	200,000	51,544	-	251,544	-	200,000	-	200,000
(q) Parks renewal	1,407,579	99,790	(129,650)	1,377,719	2,479,900	8,737	(1,348,222)	1,140,415	2,558,224	3,911	(1,154,556)	1,407,579
(r) Pathways renewal	1,629,708	575,762	(26,768)	2,178,702	1,629,458	50,244	(1,591,377)	88,325	1,629,017	691	-	1,629,708
(s) Plant and machinery	1,081,845	535,760	(494,370)	1,123,235	834,002	503,185	(599,000)	738,187	575,043	701,073	(194,271)	1,081,845
(t) Renewable energy	281,730	7,888	-	289,618	281,216	2,175	(100,000)	183,391	280,889	841	-	281,730
(u) Roads renewal	5,796,710	310,752	(81,854)	6,025,608	6,047,826	8,259	(3,432,743)	2,623,342	4,404,977	1,713,066	(321,333)	5,796,710
(v) Underground power	4,359,563	2,124,037	(1,571,085)	4,912,515	6,130,647	3,322,987	(2,945,446)	6,508,188	14,353,196	8,454,346	(18,447,979)	4,359,563
(w) Urban forest strategy	123,312	575,007	-	698,319	122,335	255,711	-	378,046	1,001,624	1,688	(880,000)	123,312
(x) Waste management	1,130,889	30,701	-	1,161,590	1,088,187	8,125	-	1,096,312	1,049,635	81,254	-	1,130,889
	38,184,376	8,275,137	(4,244,948)	42,214,565	40,296,689	12,607,599	(19,071,008)	33,833,280	53,222,743	13,451,668	(28,490,035)	38,184,376
	<b>38,184,376</b>	<b>8,774,484</b>	<b>(4,244,948)</b>	<b>42,713,912</b>	<b>40,296,689</b>	<b>12,607,599</b>	<b>(19,071,008)</b>	<b>33,833,280</b>	<b>53,222,743</b>	<b>13,451,668</b>	<b>(28,490,035)</b>	<b>38,184,376</b>

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

**TOWN OF VICTORIA PARK  
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**29. RESERVE ACCOUNTS (CONTINUED)**

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

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by legislation/agreement</b>	
(a) Public open space - cash in lieu	To be used to within the locality for which the cash in lieu is provided, and where local areas are seen to benefit. Funds to be used in accordance with Section 154 of the <i>Planning and Development Act 2005</i> .
<b>Restricted by council</b>	
(b) Building renewal	To be used to assist in funding renewal initiatives associated with Council's buildings.
(c) Community art	To be used to assist in funding the purchase and placement of art for the Council and community.
(d) Covid-19 recovery reserve	To be used to assist in the funding future programs and projects to support the community and local businesses during COVID-19 recovery.
(e) Drainage renewal	To be used to assist in funding renewal initiatives associated with Council's drainage.
(f) Employee entitlement	To be used to fund the Town's long service leave, annual leave and personal leave requirements and is maintained by an annual contribution to the reserve.
(g) Edward Millen site	To be used to assist in improving and/or maintaining the Edward Millen site, including the associated grounds.
(h) Furniture and equipment renewal	To be used to assist in funding renewal initiatives associated with Council's furniture and equipment.
(i) Future fund	To be used to assist in funding initiatives and purchases that diversify the revenue streams of Council.
(j) Future projects	To assist in funding 'new' and 'upgrade' capital initiatives that are generally significant in nature.
(k) Harold Hawthorne - Carlisle memorial	To assist in funding major appliances/equipment and structural repairs at these Council responsibility facilities.
(l) Information technology renewal	To be used to assist in funding renewal initiatives associated with Council's information technology.
(m) Insurance risk	To be used to assist in meeting any expense outlays in the event of significant insurance claims.
(n) Land asset optimisation	To be used to hold proceeds from, and meet expenses towards, land asset optimisation strategy initiatives.
(o) Other infrastructure renewal	To be used to assist in funding renewal initiatives associated with Council's other infrastructure.
(p) Parking benefits	To be used to accumulate funds including those from parking operations surpluses; alleviating the impacts of intergenerational equity in funding major facilities.
(q) Parks renewal	To be used to assist in funding renewal initiatives associated with Council's parks.
(r) Pathways renewal	To be used to assist in funding renewal initiatives associated with Council's pathways.
(s) Plant and machinery	To be used to assist in funding renewal initiatives associated with Council's plant and machinery.
(t) Renewable energy	To assist in investigating and funding renewable energy initiatives within the district.
(u) Roads renewal	To be used to assist in funding renewal initiatives associated with Council's roads.
(v) Underground power	To be used to assist in funding initiatives associated with the installation of underground power and associated works.
(w) Urban forest strategy	To be used to assist in funding initiatives associated with the urban forest strategy.
(x) Waste management	To be used to assist in funding waste management and waste minimisation initiatives.



**TOWN OF VICTORIA PARK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**30. CORRECTION OF PRIOR PERIOD ERROR**

During the year, the Town identified an error in the accounting for service charges from the SUPP 6 underground power scheme. The service charges were raised in full during the year ended 30 June 2022 for all properties on the scheme, however a statutory receivable was not raised for the full amount of service charges receivable at the time of issue of the rates notices. Due to the material nature of the errors, a correction was raised. The impact of the adjustments is provided below.

<b>Statement of Comprehensive Income (Extract)</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>	<b>2022 (Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Service charges	6,915,665	5,462,917	12,378,582
Materials and contracts	(33,812,554)	8,951,536	(24,861,018)
Other expenses	(6,634)	(8,951,536)	(8,958,165)
<b>Net result for the period</b>	<b>(6,278,899)</b>	<b>5,462,917</b>	<b>(815,982)</b>
<b>Total comprehensive income for the period</b>	<b>(4,600,543)</b>	<b>5,462,917</b>	<b>862,374</b>

<b>Statement of Financial Position (Extract)</b>	<b>30 June 2022</b>	<b>Increase/ (Decrease)</b>	<b>30 June 2022 (Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Trade and other receivables	5,999,825	1,121,311	7,121,136
<b>Non-Current Assets</b>			
Trade and other receivables	289,853	4,341,606	4,631,459
<b>Net assets</b>	<b>575,887,626</b>	<b>5,462,917</b>	<b>581,350,543</b>

<b>Statement of Changes in Equity (Extract)</b>	<b>30 June 2022</b>	<b>Increase/ (Decrease)</b>	<b>30 June 2022 (Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Retained Surplus	91,292,576	5,462,917	96,755,493
<b>Total Equity</b>	<b>575,887,626</b>	<b>5,462,917</b>	<b>581,350,543</b>

<b>Statement of Financial Activity (Extract)</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>	<b>2022 (Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Service charges	6,915,665	5,462,917	12,378,582
Materials and contracts	(33,812,554)	8,951,536	(24,861,018)
Other expenditure	(6,634)	(8,951,536)	(8,958,165)
Non-cash amounts excluded from operating activities	9,864,137	(4,341,606)	5,522,531
<b>Amount attributable to operating activities</b>	<b>3,405,433</b>	<b>1,121,311</b>	<b>4,526,744</b>
<b>Surplus or deficit after imposition of general rates</b>	<b>5,040,194</b>	<b>1,121,311</b>	<b>6,161,505</b>