



TOWN OF
VICTORIA PARK

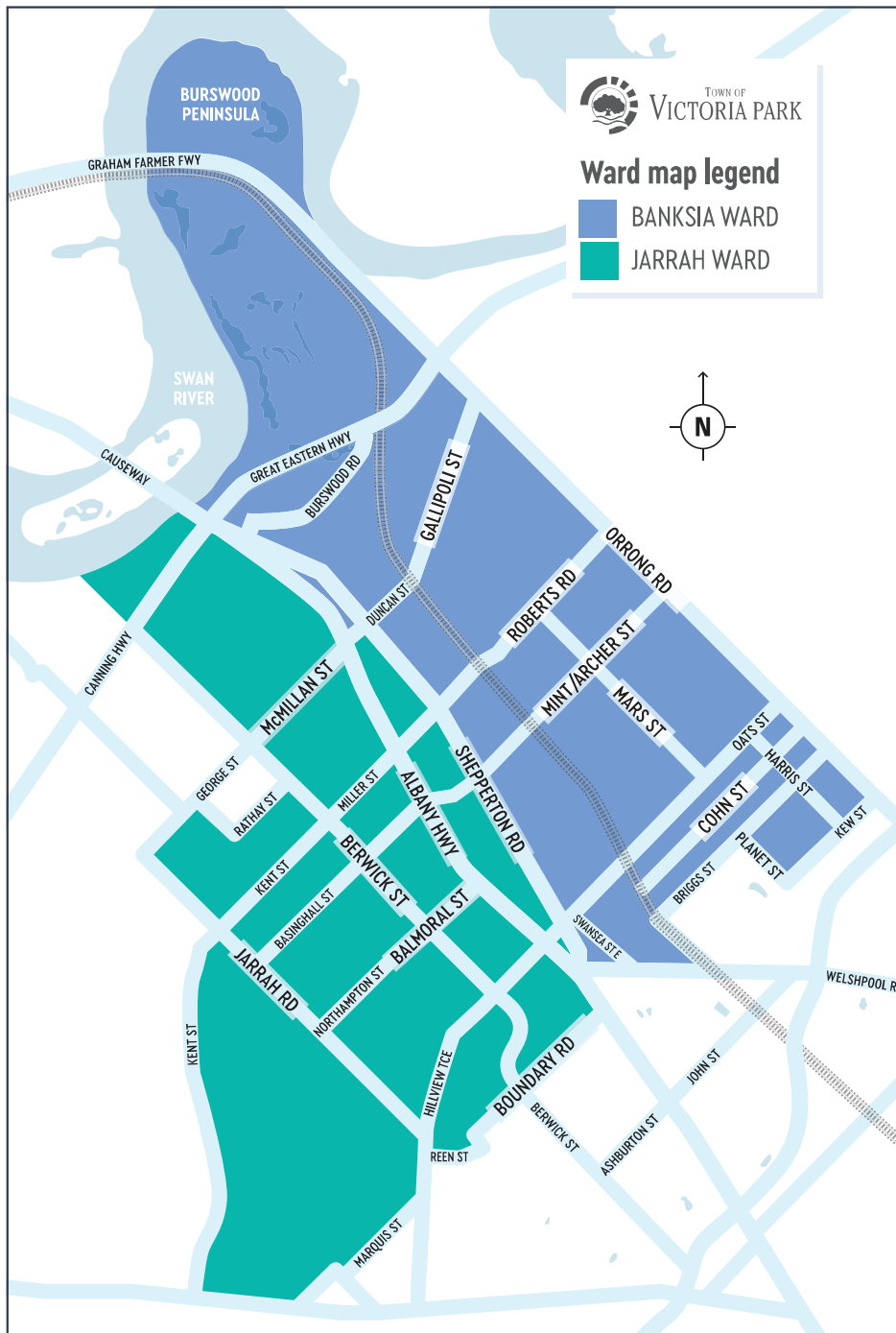
ANNUAL BUDGET

2022 – 2023



**WE'RE OPEN
VIC PARK**

victoriapark.wa.gov.au



Karen Vernon

0407 448 336
kvernon@vicpark.wa.gov.au
Term expires: Oct. 2023

BANKSIA WARD



Claire Anderson

0416 199 745
canderson@vicpark.wa.gov.au
Term expires: Oct. 2023



Cr. Wilfred Hendriks

0403 121 543
whendriks@vicpark.wa.gov.au
Term expires: Oct. 2023



Cr. Luana Lisandro

0406 825 806
llisandro@vicpark.wa.gov.au
Term expires: Oct. 2025

JARRAH WARD



Cr. Bronwyn Ife

0419 942 944
bife@vicpark.wa.gov.au
Term expires: Oct. 2025



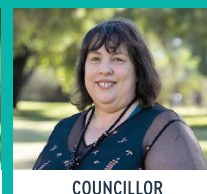
Cr. Jesvin Karimi

0412 047 447
jkarimi@vicpark.wa.gov.au
Term expires: Oct. 2023



Jesse Hamer

0405 706 610
jhamer@vicpark.wa.gov.au
Term expires: Oct. 2025



Cr. Vicki Potter

0433 704 140
vpotter@vicpark.wa.gov.au
Term expires: Oct. 2023

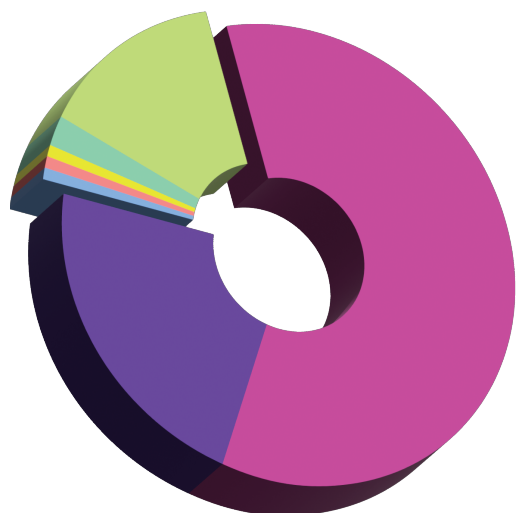


Peter Devereux

0448 994 930
pdevereux@vicpark.wa.gov.au
Term expires: Oct. 2025

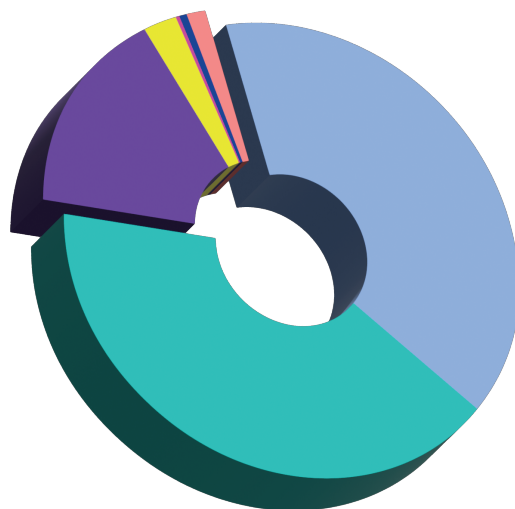
YOUR BUDGET EXPLAINED

REVENUE



♥	Rates	\$41.2m
♥	Fees and charges	\$15.6m
♥	Operating grants and contributions	\$590,029
♥	Interest earnings	\$474,498
♥	Other revenue	\$639,756
♥	Service charges	\$1.6m
♥	Non-operating grants, subsidies and contributions	\$9.5m

EXPENSES



♥	Employee costs	\$25.2m
♥	Materials and contracts	\$25.6m
♥	Depreciation on non-current assets	\$9.9m
♥	Utility charges	\$1.6m
♥	Interest expenses	\$277,575
♥	Insurance expenses	\$339,881
♥	Other expenses	\$736,246

INVESTING IN OUR ASSETS



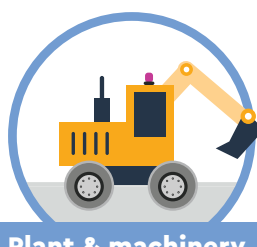
Roads

\$7,833,756



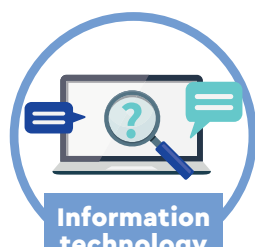
Land & buildings

\$6,017,000



Plant & machinery

\$873,500



Information technology

\$307,062



Furniture & equipment

\$158,000



Other assets

\$1,725,392



Pathways

\$2,432,120



Parks & reserves

\$9,448,738



Drainage

\$185,000



Additional information for document completion

PLACEHOLDER

TOWN OF VICTORIA PARK
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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TOWN'S VISION

The Town of Victoria Park: A dynamic place for everyone.

TOWN'S PURPOSE

Sustainably serve, empower and connect community.

COMMUNITY PRIORITIES

Social – To promote sustainable, connected, safe and diverse places for everyone.

Economic – To promote sustainable, diverse, resilient and prosperous places for everyone.

Environment – To promote sustainable, liveable, healthy and green places for everyone.

Civic leadership – To show leadership by communicating with, empowering and supporting people in the community



TOWN OF VICTORIA PARK
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Forecast	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	41,172,042	44,390,478	44,367,425
Operating grants, subsidies and contributions	11	590,029	1,718,017	896,738
Fees and charges	16	15,622,435	9,374,270	9,615,958
Service charges	2(g)	1,554,800	12,371,512	12,371,512
Interest earnings	12(a)	474,498	360,153	351,023
Other revenue	12(a)	639,756	1,077,657	1,017,753
		60,053,560	69,292,087	68,620,409
Expenses				
Employee costs		(25,231,789)	(23,311,976)	(24,395,919)
Materials and contracts		(25,631,983)	(47,913,776)	(48,512,167)
Utility charges		(1,599,650)	(1,587,458)	(1,573,754)
Depreciation on non-current assets	6	(9,951,643)	(10,012,922)	(9,468,200)
Interest expenses	12(c)	(277,575)	(245,619)	(245,619)
Insurance expenses		(339,881)	(313,505)	(322,401)
Other expenditure		(728,839)	(5,127)	(259,700)
		(63,761,360)	(83,390,383)	(84,777,760)
		(3,707,800)	(14,098,296)	(16,157,351)
Non-operating grants, subsidies and contributions	11	9,560,146	2,228,069	10,672,395
Profit on asset disposals	5(b)	1,597,280	0	1,594,117
Loss on asset disposals	5(b)	(26,417)	(4,213)	(107,954)
		11,131,009	2,223,856	12,158,558
Net result for the period		7,423,209	(11,874,440)	(3,998,793)
Other comprehensive income				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		7,423,209	(11,874,440)	(3,998,793)

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



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

	NOTE	2022/23 Budget	2021/22 Forecast	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		41,472,042	44,353,959	44,367,425
Operating grants, subsidies and contributions		590,029	794,321	896,738
Fees and charges		15,622,435	9,377,778	9,615,958
Service charges		1,054,800	6,864,545	12,371,512
Interest received		474,498	360,153	351,023
Goods and services tax received		45,281	10,206	2,000,000
Other revenue		639,756	1,077,657	1,017,753
		59,898,841	62,838,619	70,620,409
Payments				
Employee costs		(25,731,789)	(23,687,562)	(24,395,919)
Materials and contracts		(25,131,983)	(47,187,062)	(48,512,167)
Utility charges		(1,599,650)	(1,587,458)	(1,573,754)
Interest expenses		(277,575)	(245,619)	(245,619)
Insurance paid		(339,881)	(313,505)	(322,401)
Goods and services tax paid		0	0	(2,000,000)
Other expenditure		(728,839)	(5,127)	(259,700)
		(53,809,717)	(73,026,333)	(77,309,560)
Net cash provided by (used in) operating activities	4	6,089,124	(10,187,714)	(6,689,151)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(7,355,562)	(1,744,201)	(4,599,087)
Payments for construction of infrastructure	5(a)	(21,625,006)	(7,247,898)	(24,166,972)
Non-operating grants, subsidies and contributions		8,560,146	2,197,531	10,672,395
Proceeds from sale of property, plant and equipment	5(b)	4,015,500	15,787	391,500
Proceeds from equity distribution	14	1,250,000	833,333	833,333
Net cash provided by (used in) investing activities		(15,154,922)	(5,945,448)	(16,868,831)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(3,075,841)	(2,798,462)	(2,798,462)
Principal elements of lease payments	8	(20,068)	(73,678)	(73,678)
Proceeds from new borrowings	7(a)	2,200,000	1,489,228	1,489,228
Net cash provided by (used in) financing activities		(895,909)	22,617,088	(1,382,912)
Net increase (decrease) in cash held		(9,961,707)	6,483,926	(24,940,894)
Cash at beginning of year		46,612,470	40,128,544	32,140,871
Cash and cash equivalents at the end of the year	4	36,650,763	46,612,470	7,199,977

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



TOWN OF VICTORIA PARK
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Forecast	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	2,343,579	784,498	784,498
		2,343,579	784,498	784,498
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	11	590,029	1,718,017	896,738
Fees and charges	16	15,622,435	9,374,270	9,615,958
Service charges	2(g)	1,554,800	12,371,512	12,371,512
Interest earnings	12(a)	474,498	360,153	351,023
Other revenue	12(a)	639,756	1,077,657	1,017,753
Profit on asset disposals	5(b)	1,597,280	0	1,594,117
		20,478,798	24,901,609	25,847,101
Expenditure from operating activities				
Employee costs		(25,231,789)	(23,311,976)	(24,395,919)
Materials and contracts		(25,631,983)	(47,913,776)	(48,512,167)
Utility charges		(1,599,650)	(1,587,458)	(1,573,754)
Depreciation on non-current assets	6	(9,951,643)	(10,012,922)	(9,468,200)
Interest expenses	12(c)	(277,575)	(245,619)	(245,619)
Insurance expenses		(339,881)	(313,505)	(322,401)
Other expenditure		(728,839)	(5,127)	(259,700)
Loss on asset disposals	5(b)	(26,417)	(4,213)	(107,954)
		(63,787,777)	(83,394,596)	(84,885,714)
Non-cash amounts excluded from operating activities	3(b)	8,380,780	10,033,358	7,982,037
Amount attributable to operating activities		(32,584,620)	(47,675,131)	(50,272,078)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	9,560,146	2,228,069	10,672,395
Payments for property, plant and equipment	5(a)	(7,355,562)	(1,744,201)	(4,599,087)
Payments for construction of infrastructure	5(a)	(21,625,006)	(7,247,898)	(24,166,972)
Proceeds from disposal of assets	5(b)	4,015,500	15,787	391,500
Proceeds from equity distribution	14	1,250,000	833,333	833,333
Amount attributable to investing activities		(14,154,922)	(5,914,910)	(16,868,831)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(3,075,841)	(2,798,462)	(2,798,462)
Principal elements of finance lease payments	8	(20,068)	(73,678)	(73,678)
Proceeds from new borrowings	7(b)	2,200,000	1,489,228	1,489,228
Transfers to cash backed reserves (restricted assets)	9(a)	(12,607,599)	(12,763,694)	(10,692,534)
Transfers from cash backed reserves (restricted assets)	9(a)	19,071,008	25,689,748	34,848,930
Amount attributable to financing activities		5,567,500	11,543,142	22,773,484
Budgeted deficiency before general rates		(41,172,042)	(42,046,899)	(44,367,425)
Estimated amount to be raised from general rates	2(a)	41,172,042	44,390,478	44,367,425
Net current assets at end of financial year - surplus/(deficit)	3	0	2,343,579	0



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1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 2 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

- AASB 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

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

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

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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

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

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

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

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



1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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



1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

Governance

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

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

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

Health

To provide an operational framework for environmental and community health.

Education and welfare

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

Community amenities

To provide services required by the community.

Recreation and culture

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

Transport

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

Economic services

To help promote the local government and its economic wellbeing.

Other property and services

To monitor and control operating accounts.

ACTIVITIES

Includes the activities of Elected Members and the administrative support available to Council for the provision of governance of the District. Other costs that relate to the task of assisting elected members and ratepayers on matters that do not concern specific local government services.

Rates, general purpose government grants and interest revenue.

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

Includes inspection of food outlets and their control, provision of skin penetration services, noise control and waste disposal compliance.

Includes maintenance of child minding centres, playgroup centres, senior citizen centres and aged care facilities. Provision and maintenance of home care programs and youth services.

Included in this area are items such as rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment, administration of development planning schemes, and public

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. The provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets, maintenance of street trees, street lighting etc.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Private works operation, plant repair and costs and administrative



TOWN OF VICTORIA PARK FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Residential	Gross rental valuation	0.07773	14,424	253,080,251	19,671,928	70,000	0	19,741,928	25,275,901	21,458,530
Non-Residential	Gross rental valuation	0.10230	1,376	173,659,046	17,765,320	20,000	0	17,785,320	16,419,868	16,866,276
Vacant Land	Gross rental valuation	0.13531	238	12,393,705	1,676,992	9,495	0	1,686,487	2,694,709	1,617,802
Sub-Total			16,038	439,133,002	39,114,240	99,495	0	39,213,735	44,390,478	39,942,608
Minimum payment										
		\$								
Residential	Gross rental valuation	859	1,609	15,512,166	1,382,131	0	0	1,382,131		3,864,312
Non-Residential	Gross rental valuation	1,246	188	1,915,428	234,248	0	0	234,248		232,245
Vacant Land	Gross rental valuation	1,583	216	1,909,598	341,928	0	0	341,928		328,260
Sub-Total			2,013	19,337,192	1,958,307	0	0	1,958,307	0	4,424,817
Total amount raised from general rates			18,051	458,470,194	41,072,547	99,495	0	41,172,042	44,390,478	44,367,425
Total rates								41,172,042	44,390,478	44,367,425

The Town did not raise specified area rates for the year ended 30th June 2023.

All land (other than exempt land) in the Town of Victoria Park is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Town of Victoria Park.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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



2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	6/10/2022	Nil	0.0%	7.0%
Option two				
First instalment	6/10/2022	Nil	4.0%	7.0%
Second instalment	6/12/2022	10	4.0%	7.0%
Third instalment	6/02/2023	10	4.0%	7.0%
Fourth instalment	10/04/2023	10	4.0%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	160,000	128,975	130,000
Instalment plan interest earned	97,000	92,515	85,000
Unpaid rates and service charge interest earned	77,000	93,664	65,000
	334,000	315,154	280,000

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
GRV Residential	Properties zoned residential and a predominant residential land use.	This rate is to contribute to service desired by the community.	This is considered to be the base rate above which all other GRV rated properties are assessed.
GRV Non-Residential	Properties used for commercial and industrial purposes and any other than GRV Residential and GRV Vacant Land.	The objective is to raise additional revenue to contribute towards higher costs associated with commercial/industrial activity.	This higher rate reflects the additional cost of servicing commercial activity including car parking.
GRV Vacant Land	Vacant properties zoned either as GRV Residential or GRV Non-Residential.	The objective is to encourage absent owners to develop and infill vacant land.	The objective is to encourage develop to improve the local economy and improve local visual amenity of the Town.

(d) Differential Minimum Payment

GRV Residential	Properties zoned residential and a predominant residential land use.	This payment is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated residential properties.
GRV Non-Residential	Properties used for commercial and industrial purposes and any other than GRV Residential and GRV Vacant Land.	This payment is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated non-residential properties.
GRV Vacant Land	Vacant properties zoned either as GRV Residential or GRV Non-Residential.	This payment is considered the minimum contribution for basic services and infrastructure.	This minimum for this category is designed to encourage land owners to develop their vacant residential land.

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Specified Area Rate

The Town will not raise specified area rates for the year ending 30 June 2023

(g) Service Charges

	Amount of charge	2022/23 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2021/22 Actual revenue	2021/22 Budget revenue
Service charge	\$	\$	\$	\$	\$	\$	\$
NRUPP	2,300	1,554,800	989,000	565,800	565,800	0	0
SUPP 6 - Carlisle North	3,959	0	0	0	0	3,887,251	3,887,251
SUPP 6 - Victoria Park East	3,849	0	0	0	0	3,535,089	3,535,089
SUPP 6 - Victoria Park West	2,089	0	0	0	0	4,949,172	4,949,172
		1,554,800	989,000	565,800	565,800	12,371,512	12,371,512

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
NRUPP	To apply a user charge on those receiving a benefit	To fund the costs associated with the underground power program.	All owners in the NRUPP area
SUPP 6 - Carlisle North	To apply a user charge on those receiving a benefit	To fund the costs associated with the underground power program.	All owners in the Carlisle North SUPP 6 area
SUPP 6 - Victoria Park East	To apply a user charge on those receiving a benefit	To fund the costs associated with the underground power program.	All owners in the Vic Park East SUPP 6 area
SUPP 6 - Victoria Park West	To apply a user charge on those receiving a benefit	To fund the costs associated with the underground power program.	All owners in the Carlisle North SUPP 6 area

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(h) Waivers or concessions

The Town does not anticipate any waivers or concessions for the year ended 30th June 2023.

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents - unrestricted	4	634,835	2,143,905	7,183,112
Cash and cash equivalents - restricted	4	36,015,928	44,468,565	16,865
Financial assets - unrestricted		0	0	(833,333)
Financial assets - restricted	4	0	0	31,988,890
Receivables		10,136,938	9,982,219	3,436,087
Contract assets		0	0	976,129
Inventories		205,630	205,630	505,273

Less: current liabilities

Trade and other payables		(7,755,382)	(7,255,382)	(6,723,827)
Contract liabilities		(2,412,000)	(2,412,000)	(2,939,407)
Lease liabilities	8	0	(20,068)	9,523
Long term borrowings	7	(2,162,745)	(3,038,586)	(3,543,722)
Employee provisions		(3,074,385)	(3,574,385)	(4,543,441)
Other provisions		(726,784)	(726,784)	

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
	46,993,331	56,800,319	43,273,023
	(7,755,382)	(7,255,382)	(6,723,827)
	(2,412,000)	(2,412,000)	(2,939,407)
8	0	(20,068)	9,523
7	(2,162,745)	(3,038,586)	(3,543,722)
	(3,074,385)	(3,574,385)	(4,543,441)
	(726,784)	(726,784)	
	(15,131,296)	(17,027,205)	(17,740,874)
	31,862,035	39,773,114	25,532,149
3.(c)	(31,862,035)	(37,429,535)	(25,532,149)
	0	2,343,579	0

3. NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Movement in non-current pensioner deferred rates

Movement in non-current ESL debtors

Movement in non-current employee provisions

Non cash amounts excluded from operating activities

	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
5(b)	(1,597,280)	0	(1,594,117)
5(b)	26,417	4,213	107,954
6	9,951,643	10,012,922	9,468,200
	0	(1,454)	0
	0	20,033	0
	0	(2,356)	0
	8,380,780	10,033,358	7,982,037
9	(33,833,280)	(40,296,689)	(29,066,348)
	(191,500)	(191,500)	0
	2,162,745	3,038,586	3,543,722
	0	20,068	(9,523)
	(31,862,035)	(37,429,535)	(25,532,149)

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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.

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 of Victoria Park becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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 revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

Superannuation

The Town of Victoria Park contributes to a number of superannuation funds on behalf of employees.

All funds to which the Town of Victoria Park contributes are defined contribution plans.

LAND HELD FOR RESALE

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

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

TRADE AND OTHER RECEIVABLES

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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



3 (d) NET CURRENT ASSETS (CONTINUED)

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Town are recognised as a liability until such time as the Town satisfies its obligations under the agreement.



4. RECONCILIATION OF CASH

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

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Cash at bank and on hand		15,650,763	20,612,470	7,199,977
Term deposits		21,000,000	26,000,000	0
Total cash and cash equivalents		36,650,763	46,612,470	7,199,977
Held as				
- Unrestricted cash and cash equivalents	3(a)	634,835	2,143,905	7,183,112
- Restricted cash and cash equivalents	3(a)	36,015,928	44,468,565	16,865
		36,650,763	46,612,470	7,199,977
Restrictions				
The following classes of 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		36,015,928	44,468,565	16,865
- Restricted financial assets at amortised cost - term deposits	3(a)	0	0	31,988,890
		36,015,928	44,468,565	32,005,755
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	33,833,280	40,296,689	29,066,348
Unspent borrowings	7(c)	0	989,228	0
Contract liabilities		2,412,000	2,412,000	2,939,407
Other provisions		770,648	770,648	0
		36,015,928	44,468,565	32,005,755
Reconciliation of net cash provided by operating activities to net result				
Net result		7,423,209	(11,874,440)	(3,998,793)
Depreciation	6	9,951,643	10,012,922	9,468,200
(Profit)/loss on sale of asset	5(b)	(1,570,863)	4,213	(1,486,163)
(Increase)/decrease in receivables		(154,719)	(5,529,772)	0
(Increase)/decrease in inventories		0	(1,373)	0
Increase/(decrease) in payables		500,000	728,087	0
Increase/(decrease) in contract liabilities		0	(923,696)	0
Increase/(decrease) in other provision		0	(30,538)	0
Increase/(decrease) in employee provisions		(500,000)	(375,586)	0
Non-operating grants, subsidies and contributions		(8,560,146)	(2,197,531)	(10,672,395)
Net cash from operating activities		6,089,124	(10,187,714)	(6,689,151)

4. RECONCILIATION OF CASH (CONTINUED)

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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.



5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Reporting program

Asset class	Recreation and culture	Transport	Other property and services	2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>						
Buildings - non-specialised	0	0	566,384	566,384	971,791	1,225,685
Buildings - specialised	5,450,616	0	0	5,450,616		1,550,000
Furniture and equipment	158,000	0	0	158,000	37,085	454,085
Plant and equipment	0	873,500	0	873,500	509,485	998,485
Information Technology	0	0	307,062	307,062	225,840	370,832
	5,608,616	873,500	873,446	7,355,562	1,744,201	4,599,087
<u>Infrastructure</u>						
Infrastructure - roads	0	7,833,756	0	7,833,756	5,881,309	9,902,647
Infrastructure - pathways	0	2,432,120	0	2,432,120	263,056	2,610,603
Infrastructure - drainage	0	185,000	0	185,000	270,000	270,000
Infrastructure - parks	9,448,738	0	0	9,448,738	660,678	9,706,708
Infrastructure - other	0	1,725,392	0	1,725,392	172,855	1,677,014
	9,448,738	12,176,268	0	21,625,006	7,247,898	24,166,972
Total acquisitions	15,057,354	13,049,768	873,446	28,980,568	8,992,099	28,766,059

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

5. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
General Purpose Funding	0	0	0	0	0	0	0	0	(1,562,660)	(1,562,660)	0	0
Transport	0	0	0	0	20,000	16,141	0	(3,859)		0	0	0
Other property and services	2,444,637	4,015,500	1,597,280	(26,417)		(354)	0	(354)	467,997	1,954,160	1,594,117	(107,954)
	2,444,637	4,015,500	1,597,280	(26,417)	20,000	15,787	0	(4,213)	(1,094,663)	391,500	1,594,117	(107,954)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	2,237,340	3,800,000	1,562,660	0	0	0	0	0	(1,562,660)	0	1,562,660	0
Plant and equipment	207,297	215,500	34,620	(26,417)	20,000	15,787		(4,213)	467,997	391,500	31,457	(107,954)
	2,444,637	4,015,500	1,597,280	(26,417)	20,000	15,787	0	(4,213)	(1,094,663)	391,500	1,594,117	(107,954)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

6. ASSET DEPRECIATION

By Program

Community amenities
Recreation and culture
Transport
Other property and services

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Information technology
Infrastructure - roads
Infrastructure - pathways
Infrastructure - drainage
Infrastructure - parks
Infrastructure - other
Right of use - furniture and fittings

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
2,290,000	2,288,588	1,633,300
431,474	431,474	1,314,900
6,678,659	6,672,070	5,720,000
551,510	620,790	800,000
9,951,643	10,012,922	9,468,200
2,290,000	2,288,588	1,603,000
54,800	67,929	400,000
390,000	395,781	390,000
90,000	90,242	360,000
4,539,306	4,539,304	4,089,900
1,213,318	1,213,318	1,195,000
456,035	456,038	465,000
431,474	431,474	450,000
470,000	463,410	465,300
16,710	66,838	50,000
9,951,643	10,012,922	9,468,200

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Information technology	
Infrastructure - roads	20 to 80 years
Infrastructure - pathways	20 years
Infrastructure - drainage	80 years
Infrastructure - parks	10 to 60 Years
Infrastructure - other	
Right of use - furniture and fittings	

AMORTISATION

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

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

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



TOWN OF VICTORIA PARK
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	Budget	2021/22	Budget	2021/22
				Principal 1 July 2022	New Loans	Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Actual Principal 1 July 2021	Actual New Loans	Actual Principal Repayments	Actual Principal outstanding 30 June 2022	Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Budget Principal outstanding 30 June 2022	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																			
Fletcher Park	11	WATC	4.9%	230,748	0	(41,828)	188,920	(10,712)	270,614	0	(39,866)	230,748	(12,673)	270,614	0	(39,866)	230,748	(12,673)	
Other property and services																			
14 Kent Street	09	WATC	7.6%	95,089	0	(95,089)	0	(5,418)	183,386	0	(88,297)	95,089	(12,210)	183,386	0	(88,297)	95,089	(12,210)	
1 Harper Street	10	WATC	6.4%	352,824	0	(110,338)	242,486	(20,680)	456,475	0	(103,651)	352,824	(27,366)	456,475	0	(103,651)	352,824	(27,366)	
Depot Upgrade	12	WATC	4.9%	195,408	0	(35,421)	159,987	(9,072)	229,169	0	(33,761)	195,408	(10,732)	229,169	0	(33,761)	195,408	(10,732)	
SUPP6 UGP	15	WATC	1.2%	13,113,353	0	(2,562,354)	10,550,999	(144,706)	15,646,241	0	(2,532,887)	13,113,354	(174,172)	15,646,241	0	(2,532,887)	13,113,354	(174,172)	
NRUPP UGP	16	WATC	3.1%	1,489,228	0	(193,556)	1,295,672	(44,820)	0	1,489,228	0	1,489,228	0	0	1,489,228	0	1,489,228	0	0
Edward Millen Site	17	WATC	3.8%	0	2,200,000	(37,255)	2,162,745	(41,700)	0	0	0	0	0	0	0	0	0	0	0
				15,476,650	2,200,000	(3,075,841)	14,600,809	(277,108)	16,785,885	1,489,228	(2,798,462)	15,476,651	(237,153)	16,785,885	1,489,228	(2,798,462)	15,476,651	(237,153)	

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



7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Edward Millen Site	WATC	Deb	20	3.8%	\$ 2,200,000	\$ 958,215	\$ 2,200,000	\$ 0
					2,200,000	958,215	2,200,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2022/23 Budget	New loans unspent at 30 June 2023	Amount as at 30 June 2023
NRUPP	WP UGP cash calls	7	\$ 989,228	\$ 989,228	\$ 0	\$ 0
			989,228	989,228	0	0

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	9,000,000	9,000,000	9,000,000
Credit card limit	23,000	23,000	22,000
Credit card balance at balance date	0	13,340	0
Total amount of credit unused	9,023,000	9,036,340	9,022,000
Loan facilities			
Loan facilities in use at balance date	14,600,809	15,476,651	15,476,651
Unused loan facilities at balance date	0	989,228	989,228

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

TOWN OF VICTORIA PARK
FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2022	2022/23 Budget New Leases	2022/23 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2023	2022/23 Budget Lease Interest Repayments	Actual Principal 1 July 2021	2021/22 Actual New Leases	2021/22 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2022	2021/22 Actual Lease Interest repayments	Budget Principal 1 July 2021	2021/22 Budget New Leases	2021/22 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2022	2021/22 Budget Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services																			
Printing	E6N0162072	MAIA Financials	1.2%	48	20,068	0	(20,068)	0	(467)	93,746	0	(73,678)	20,068	(8,466)	94,875	0	(73,678)	21,197	(8,466)
					20,068	0	(20,068)	0	(467)	93,746	0	(73,678)	20,068	(8,466)	94,875	0	(73,678)	21,197	(8,466)

SIGNIFICANT ACCOUNTING POLICIES

<p>LEASES</p> <p>At the inception of a contract, the Town assesses whether the contract is, or contains, a lease.</p> <p>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.</p> <p>At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Town uses its incremental borrowing rate.</p>	<p>LEASE LIABILITIES</p> <p>The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.</p>
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9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Underground power reserve	6,130,647	3,322,987	(2,945,446)	6,508,188	14,353,196	8,353,773	(16,576,322)	6,130,647	14,353,196	8,312,252	(16,512,274)	6,153,174
	6,130,647	3,322,987	(2,945,446)	6,508,188	14,353,196	8,353,773	(16,576,322)	6,130,647	14,353,196	8,312,252	(16,512,274)	6,153,174
Restricted by council												
(b) Building renewal reserve	1,623,088	62,612	(295,000)	1,390,700	1,728,745	81,840	(187,497)	1,623,088	1,728,745	57,500	(153,000)	1,633,245
(c) Community art reserve	680,324	3,958	(30,000)	654,282	663,116	19,708	(2,500)	680,324	663,116	2,000	(152,500)	512,616
(d) Drainage renewal reserve	283,165	2,184	0	285,349	402,806	359	(120,000)	283,165	402,806	77	(120,000)	282,883
(e) Ed Millen site reserve	2,034,205	2,217,280	(4,200,000)	51,485	2,031,840	2,365	0	2,034,205	2,031,840	6,000	(2,000,000)	37,840
(f) Furniture & equipment renewal reserve	666,848	5,136	(158,000)	513,984	703,146	787	(37,085)	666,848	703,146	2,000	(37,085)	668,061
(g) Future fund reserve	11,232,444	2,043,799	(3,400,000)	9,876,243	17,404,689	911,088	(7,083,333)	11,232,444	17,404,690	985,487	(7,088,972)	11,301,205
(h) Future projects reserve	192,736	3,553	0	196,289	192,556	180	0	192,736	192,556	267,595	0	460,151
(i) Harold Hawthorne - Carlisle Memorial reserve	185,542	1,420	0	186,962	183,409	2,133	0	185,542	183,408	500	0	183,908
(j) Information technology renewal reserve	1,037,599	107,012	(186,220)	958,391	1,200,557	1,293	(164,251)	1,037,599	1,200,557	3,000	(295,471)	908,086
(k) Insurance risk reserve	460,002	3,557	0	463,559	459,467	535	0	460,002	459,467	1,200	0	460,667
(l) Land asset optimisation reserve	1,687,846	3,842,758	0	5,530,604	1,685,884	1,962	0	1,687,846	1,685,885	40,277	0	1,726,162
(m) Other infrastructure renewal reserve	1,299,319	2,591	(785,000)	516,910	712,302	635,485	(48,468)	1,299,319	712,302	1,000	(377,736)	335,566
(n) Parks renewal reserve	2,479,900	8,737	(1,348,222)	1,140,415	2,558,224	1,676	(80,000)	2,479,900	2,558,224	3,200	(1,430,000)	1,131,424
(o) Pathways renewal reserve	1,629,458	50,244	(1,591,377)	88,325	1,629,016	442	0	1,629,458	1,629,017	90	(1,597,547)	31,560
(p) Plant and machinery reserve	834,002	503,185	(599,000)	738,187	575,043	700,444	(441,485)	834,002	575,043	700,900	(863,495)	412,448
(q) Renewable energy reserve	281,216	2,175	(100,000)	183,391	280,889	327	0	281,216	280,889	800	0	281,689
(r) Roads renewal reserve	6,047,826	8,259	(3,432,743)	2,623,342	4,404,978	1,710,034	(67,186)	6,047,826	4,404,977	4,200	(3,339,602)	1,069,575
(s) Urban forest strategy reserve	122,335	255,711	0	378,046	1,001,624	711	(880,000)	122,335	1,001,624	1,400	(880,000)	123,024
(t) Waste management reserve	1,088,187	8,125	0	1,096,312	1,049,635	38,552	0	1,088,187	1,049,635	2,600	0	1,052,235
(u) Parking benefits reserve	200,000	51,544	0	251,544	0	200,000	0	200,000	0	200,000	0	200,000
(v) Employee entitlements reserve	100,000	100,772	0	200,772	0	100,000	0	100,000	0	100,000	0	100,000
(w) COVID-19 recovery reserve	0	0	0	0	1,621	0	(1,621)	0	1,621	456	(1,248)	829
	34,166,042	9,284,612	(16,125,562)	27,325,092	38,869,547	4,409,921	(9,113,426)	34,166,042	38,869,548	2,380,282	(18,336,656)	22,913,174
	40,296,689	12,607,599	(19,071,008)	33,833,280	53,222,743	12,763,694	(25,689,748)	40,296,689	53,222,744	10,692,534	(34,848,930)	29,066,348

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Underground power reserve	Ongoing	To be used to assist in funding initiatives associated with the installation of underground power and associated works.
(b) Building renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's buildings.
(c) Community art reserve	Ongoing	To be used to assist in funding the purchase and placement of art for the Council and community.
(d) Drainage renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's drainage.
(e) Ed Millen site reserve	Ongoing	To be used to assist in improving and/or maintaining the Edward Millen Site, including the associated grounds.
(f) Furniture & equipment renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's furniture and equipment.
(g) Future fund reserve	Ongoing	To be used to assist in funding initiatives and purchases that diversify the revenue streams of Council.
(h) Future projects reserve	Ongoing	To assist in funding 'new' and 'upgrade' capital initiatives that are generally significant in nature.
(i) Harold Hawthorne - Carlisle Memorial reserve	Ongoing	To assist in funding major appliances/equipment and structural repairs at these Council responsibility facilities.
(j) Information technology renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's information technology.
(k) Insurance risk reserve	Ongoing	To be used to assist in meeting any expense outlays in the event of significant insurance claims.
(l) Land asset optimisation reserve	Ongoing	To be used to hold proceeds from, and meet expenses towards, Land Asset Optimisation Strategy initiatives.
(m) Other infrastructure renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's other infrastructure.
(n) Parks renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's parks.
(o) Pathways renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's pathways.
(p) Plant and machinery reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's plant and machinery.
(q) Renewable energy reserve	Ongoing	To assist in investigating and funding renewable energy initiatives within the District.
(r) Roads renewal reserve	Ongoing	To be used to assist in funding renewal initiatives associated with Council's roads.
(s) Urban forest strategy reserve	Ongoing	To be used to assist in funding initiatives associated with the Urban Forest Strategy.
(t) Waste management reserve	Ongoing	To be used to assist in funding waste management and waste minimisation initiatives
(u) Parking benefits reserve	Ongoing	To be used to accumulate funds including those from Parking Operations surpluses ; alleviating the impacts of intergenerational equity in funding major projects
(v) Employee entitlements reserve	Ongoing	To be used to fund the Towns Long Service Leave, Annual Leave and Personal Leave requirements and is maintained by an annual contribution to the Towns Long Service Fund
(w) COVID-19 recovery reserve	30/06/2022	To be used to assist in the funding future programs and projects to support the community and local businesses during COVID-19 recovery.



10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	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	Adopted by council annually	When taxable event occurs	Not applicable	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Cash received	On receipt of funds	Not applicable	When assets are controlled
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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	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	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears	None	Set by mutual	When claim is	Not applicable	When claim is agreed

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	0	80	0
General purpose funding	41,947,773	45,639,940	45,538,603
Law, order, public safety	3,384,356	2,719,759	2,603,854
Health	245,000	258,664	262,800
Education and welfare	125,750	163,143	207,361
Community amenities	6,158,630	1,019,451	1,136,740
Recreation and culture	4,951,890	4,716,241	4,642,653
Transport	216,900	68,343	186,800
Economic services	1,943,600	12,693,390	12,820,512
Other property and services	2,086,912	295,059	1,918,465
	61,060,811	67,574,070	69,317,788
Operating grants, subsidies and contributions			
General purpose funding	300,000	1,517,648	665,130
Law, order, public safety	133,929	84,190	83,500
Health	1,000	0	1,000
Recreation and culture	29,100	2,480	21,000
Transport	126,000	113,699	126,108
	590,029	1,718,017	896,738
Non-operating grants, subsidies and contributions			
Recreation and culture	2,390,000	133,588	3,450,000
Transport	4,010,146	2,044,481	5,672,395
Other property and services	3,160,000	50,000	1,550,000
	9,560,146	2,228,069	10,672,395
Total Income	71,210,986	71,520,156	80,886,921
Expenses			
Governance	(711,624)	(812,234)	(750,085)
General purpose funding	(1,483,186)	(1,330,363)	(1,634,647)
Law, order, public safety	(4,092,704)	(3,439,145)	(3,581,841)
Health	(1,701,570)	(1,404,485)	(1,535,006)
Education and welfare	(2,516,144)	(2,488,069)	(2,214,683)
Community amenities	(9,050,739)	(18,887,604)	(16,597,824)
Recreation and culture	(18,408,382)	(17,102,064)	(18,255,124)
Transport	(14,487,839)	(12,744,416)	(13,291,639)
Economic services	(3,455,376)	(16,134,355)	(16,533,942)
Other property and services	(7,880,213)	(9,051,861)	(10,490,923)
Total expenses	(63,787,777)	(83,394,596)	(84,885,714)
Net result for the period	7,423,209	(11,874,440)	(3,998,793)

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	249,998	110,115	127,490
- Other funds	45,000	61,259	50,000
Late payment of fees and charges *	5,500	2,600	23,533
Other interest revenue (refer note 1b)	174,000	186,179	150,000
	474,498	360,153	351,023
* The Town has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.			
(a) Other revenue			
Reimbursements and recoveries	639,756	1,077,657	1,017,753
	639,756	1,077,657	1,017,753
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	58,000	55,938	52,000
	58,000	55,938	52,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	277,108	237,153	237,153
Interest expense on lease liabilities	467	8,466	8,466
	277,575	245,619	245,619
(d) Write offs			
General rate	2,500	170	10,000
Fees and charges	58,257	28,500	95,300
	60,757	28,670	105,300
(e) Low Value lease expenses			
Gymnasium equipment	29,151	10,625	17,400
	29,151	10,625	17,400

13. ELECTED MEMBERS REMUNERATION

Mayor Karen Vernon

Mayor's allowance	64,938
Meeting attendance fees	31,928
Other expenses	500
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Deputy Mayor Claire Anderson

Deputy Mayor's allowance	16,235
Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Cr Bronwyn Ife

Deputy Mayor's allowance	0
Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Cr Wilfred Hendriks

Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Cr Luana Lisandro

Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Cr Jesvin Karimi

Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

Cr Vicki Potter

Meeting attendance fees	23,811
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	889

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
64,938	63,345	63,345
31,928	31,149	31,149
500	450	500
3,500	3,500	3,500
889	0	1,000
101,755	98,444	99,494
16,235	11,196	0
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
44,435	37,926	26,730
0	4,643	15,839
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
28,200	31,373	42,569
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
28,200	26,730	26,730
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
28,200	26,730	26,730
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
28,200	26,730	26,730
23,811	23,230	23,230
3,500	3,500	3,500
889	0	0
28,200	26,730	26,730

13. ELECTED MEMBERS REMUNERATION (CONTINUED)

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr Jesse Hamer			
Meeting attendance fees	23,811	16,356	0
Annual allowance for ICT expenses	3,500	2,464	0
Travel and accommodation expenses	889	0	0
	28,200	18,820	0
Cr Peter Devereux			
Meeting attendance fees	23,811	16,356	0
Annual allowance for ICT expenses	3,500	2,464	0
Travel and accommodation expenses	888	0	0
	28,199	18,820	0
Cr Brian Oliver			
Meeting attendance fees	0	6,874	23,230
Annual allowance for ICT expenses	0	1,036	3,500
	0	7,910	26,730
Cr Ronhhda Potter			
Meeting attendance fees	0	6,874	23,230
Annual allowance for ICT expenses	0	1,036	3,500
Total Elected Member Remuneration	343,589	328,123	329,173
Mayor's allowance	64,938	63,345	63,345
Deputy Mayor's allowance	16,235	15,839	15,839
Meeting attendance fees	222,416	216,989	216,989
Other expenses	500	450	500
Annual allowance for ICT expenses	31,500	31,500	31,500
Travel and accommodation expenses	8,000	0	1,000
	343,589	328,123	329,173

14. MAJOR LAND TRANSACTIONS

The Town is a 1/12th owner of Lot 9504 Tamala Park, in conjunction with the Cities of Perth, Joondalup, Stirling, Vincent, Wanneroo and the Town of Cambridge.

The owner councils have established the Tamala Park Regional Council with the specific function of carrying out a residential land development, known as Catalina Estate. As part owner of the land, the Town is entitled to 1/12th of the net proceeds of the land development.



15 INTERESTS IN JOINT ARRANGEMENTS

Tamala Park Regional Council

The Tamala Park Regional Council was formally constituted in February 2006. The Town of Victoria Park, along with the Municipalities of Joondalup, Wanneroo, Stirling, Perth, Cambridge and Vincent, form the membership of the Tamala Park Regional Council. The purpose of the Regional Council is to create an urban development of 165 hectares immediately north of the Mindarie Regional Council leased land. The Town of Victoria Park has a one twelfth (1/12) equity in the assets and liabilities of the development. Council's Net Assets Holding in the Tamala Park Regional Council is approximately \$4.58 million.

Mindarie Regional Council

The Mindarie Regional Council was formally constituted in December 1987. The Town of Victoria Park, along with the Municipalities of Joondalup, Wanneroo, Stirling, Perth, Cambridge and Vincent, form the membership of the Mindarie Regional Council. The primary function of the Regional Council is for the orderly and efficient treatment and / or disposal of waste. The Town of Victoria Park has a one-twelfth (1/12) equity in the assets and liabilities of the refuse disposal facility as per the constitution amendment (25 November 1996). Council's Net Assets Holding in the Mindarie Regional Council is approximately \$1.96 million.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town of Victoria Park's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.



16 FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
General purpose funding	261,000	254,000	246,500
Law, order, public safety	3,199,280	2,531,999	2,408,116
Health	241,800	254,066	252,600
Education and welfare	119,750	152,721	197,761
Community amenities	6,073,515	1,015,630	1,131,271
Recreation and culture	4,948,090	4,692,814	4,616,109
Transport	182,700	67,467	173,100
Economic services	344,500	270,482	408,500
Other property and services	251,800	135,091	182,001
	15,622,435	9,374,270	9,615,958

The subsequent pages detail the fees and charges proposed to be imposed by the local government.