



TOWN OF
VICTORIA PARK

ANNUAL REPORT



2015
2016



victoriapark.wa.gov.au



TOWN OF VICTORIA PARK



INTRODUCTION

The Town of Victoria Park is embarking on a transformation to reshape itself to better suit the needs of its ratepayers. The vision for the Town's transformation is a change in the way local government operates, is structured and how it engages with the community.

We strive to do things differently and look to truly embrace our unique personality. The Town is proud to lead the way in creating a community that thrives in an open and vibrant environment.

Our residents are culturally diverse and socially engaged. Our streets are full of energy and excitement –

from our entertainment hubs to our neighbourhood streets and recreation zones.

The Town is a truly fantastic place to live, work and play. People are what make places great, and the Town is committed to delivering community benefits that strengthen our relationships and contribute to our vibrant lifestyle.

These are exciting times for the Town and we plan to take the community along for the journey.

WHO WE ARE

There are

38,450

people living in Victoria Park, which represents a growth of 315 from the previous year.

The median age of our population is

34 YEARS.

There are

15,773

dwellings in the Town with 14,101 of these occupied.

48%

of housing is medium to high density.

31.4%

of households are made up of lone people, and 19% couples with children.

Of the

23,681

people who work in the Town, 11.8% also live here.

40.5%

of the Town's residents were born overseas, with 27% coming from backgrounds where English is not spoken as a first language.

Source: id.profile

Our vision is:

Victoria Park - Vibrant Lifestyle

Our mission is portrayed through four key areas:

- Creativity...that we embrace and live.
- Attractiveness...of the Town for people and business.
- Friendliness...through welcoming and listening.
- Environmental...sustainability that is reflected in the way we make decisions.

Our values are:

Positive, Inspirational, Caring.

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MAYOR'S MESSAGE



With the Local Government Reform Project well behind us, the Town has enjoyed a prosperous year reviewing internal strategy plans and advancing community projects. This year I am most proud of the work which is offering greater community

engagement, cross-functional partnerships, evidence-based reviews and sustainable planning.

One of the Town's innovative and most important projects, Evolve, has been asking the community to tell us about their future needs. Our residents are to be thanked for their immediate support and willingness to share opinions and concept ideas. The increased feedback we have received will help inform future plans such as the Strategic Community Plan, a corporate business plan, a long-term financial plan, asset management plan(s) and a workforce plan.

The \$70 million Lathlain Precinct Redevelopment Project - being delivered in partnership with West Coast Eagles and Perth Football Club - is continuing to progress with the completion of the Lathlain Place facelift, the Community

Building nearing completion, and planning for Rayment Park upgrades, and the planning for significant community engagement to inform the Lathlain Park Management Plan.

The Burswood Peninsula is rapidly transforming into a truly prestigious destination for locals and tourists, with significant progress during the past 12 months at new Perth Stadium, Crown Towers and the redevelopment of Belmont Park. These examples are part of the future direction of tourism and sustainability for the Town.

Finally, the October election has welcomed two new and two existing Councillors and, as well, has elected me as Mayor. I congratulate and thank each member of the Council for their commitment towards making our Town a vibrant space in which to play, learn, live and invest.

A handwritten signature in black ink that reads "T. Vaughan". The signature is written in a cursive, slightly slanted style.

His Worship, the Mayor
Trevor Vaughan

CEO FOREWORD



With the support of my Executive and the honour of being appointed as Chief Executive Officer this year, we have been able to further drive our Town's vision of Vibrant Lifestyle.

One of the most significant and important projects that commenced during this year was the Integrated

Planning and Reporting Framework major review - named Evolve. This project once completed will help guide the Town's future direction.

The Town this year has introduced and partnered in worthy equitable access, environmental and place-activation projects including On Street Parking Fee reductions and Adopt a Verge, as well as a Water Wise gardening project with the Volunteer Task Force and Maker Movement with enkel and the Vic Park Collective.

Our vibrant culture continues to welcome new events and activities for residents and tourists, such as Eventing in the Park, Xscape at the City, Twilight Trio, our Summer Street Party and Perth Garden Festival. The highly popular Art Awards event was extended this autumn into a complete two-month Arts Season that showcased fashion, visual arts, musical theatre, comedy and more.

The Town continues to take the time to get to know and celebrate our

past, present and future, with fun initiatives such as My Life, My Place, Early Settlers celebration and the Local History Awards.

The Lathlain Precinct Redevelopment is already delivering new partnerships, extra promotion of our great Town and new opportunities in the immediate and long term. The Town has worked tirelessly to progress works with Perth Football Club and West Coast Eagles as well as deliver the Lathlain Place Streetscape Upgrade and the Lathlain Community Building.

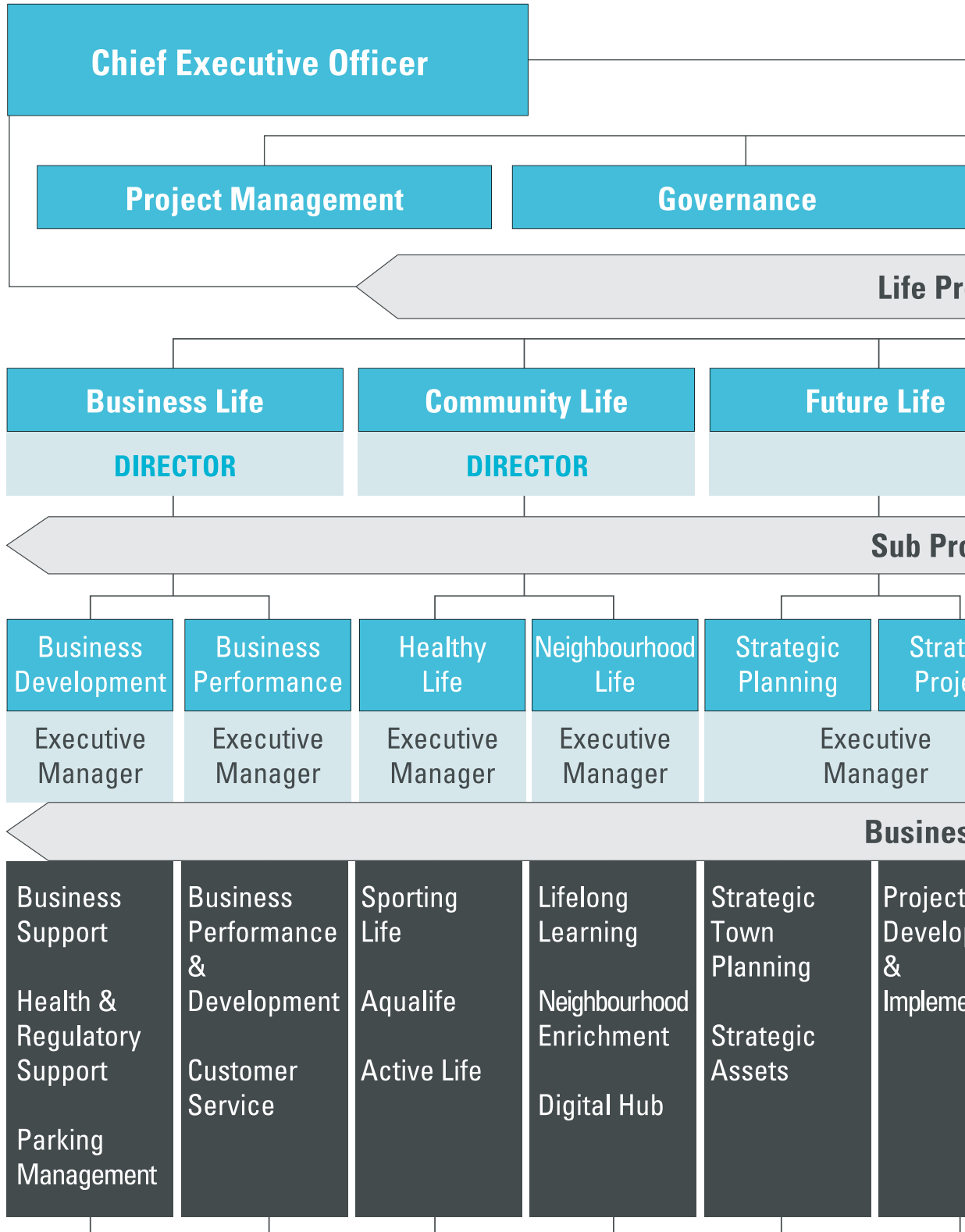
I am proud of the staff at the Town and their ability to embrace future direction planning and action. Across the organisation, staff have completed significant reviews and designed improvements in areas including the Business Planning System, Customer Relationship Management System, Land Asset Optimisation Strategy, Business Unit service levels and more.

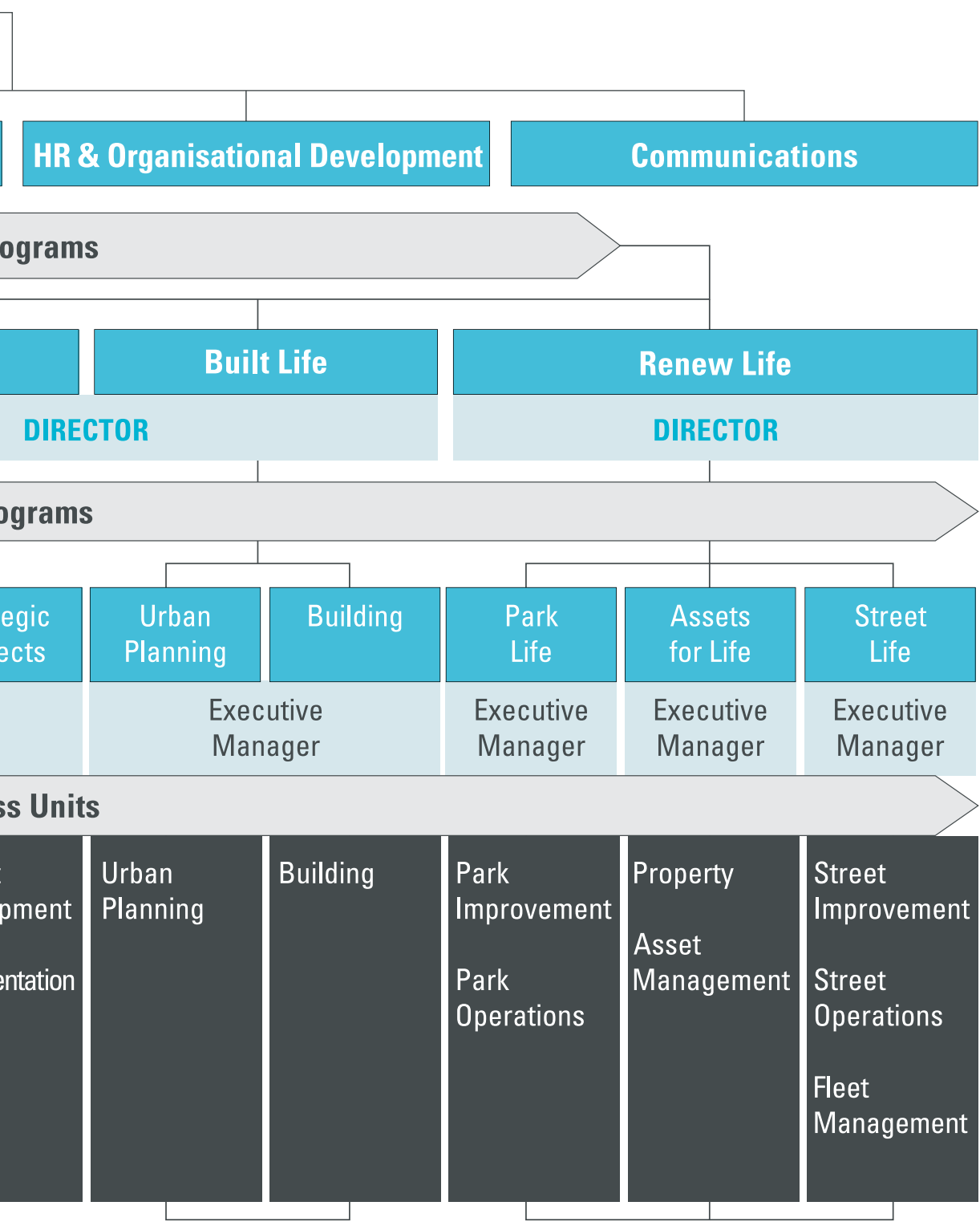
Each of these changes makes way for efficiency and lateral thinking that will benefit all residents, business owners and community groups who make up our Town.

A handwritten signature in black ink that reads "Anthony Vuleta". The signature is fluid and cursive.

Anthony Vuleta
Chief Executive Officer

ORGANISATIONAL STRUCTURE





YOUR COUNCILLORS



Town of Victoria Park

Trevor Vaughan
Mayor
Term exp: 10/19



Banksia

Cr Claire Anderson
Deputy Mayor
21 Oct 2013 - 16 Oct 2015
Term exp: 10/19



Banksia

Cr John Bissett
Term exp: 10/15



Banksia

Cr Keith Hayes
Term exp: 10/17



Banksia

Cr Mark Windram
Term exp: 10/17



Banksia

Cr Julian Jacobs
Term exp: 10/19



Jarra

Cr Brian Oliver
Deputy Mayor
19 Oct 2015 - 20 Oct 2017
Term exp: 10/17



Jarra

Cr Vince Maxwell
Term exp: 10/17



Jarra

Cr Vin Nairn
Term exp: 10/15



Jarra

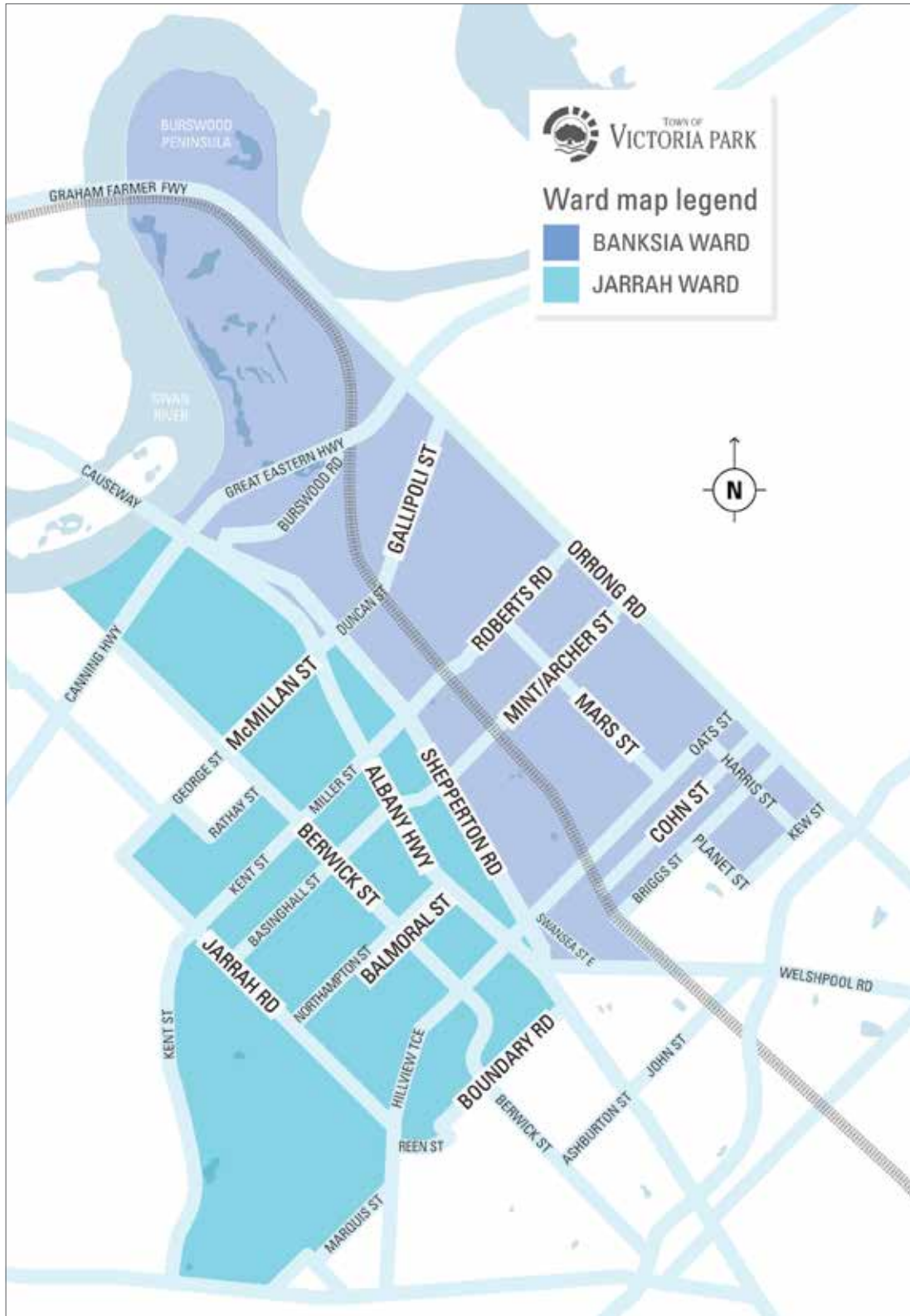
Cr Vicki Potter
Term exp: 10/19



Jarra

Cr Jennifer Ammons-Noble
Term exp: 10/19

WARD MAP



COUNCILLOR'S ATTENDANCE

Committee/ Council Meeting	Members	Ordinary Meetings Held	Ordinary Meetings Present	Special Meetings Held	Special Meetings Present
Council	Mayor Vaughan	11	8	2	1
	Cr Ammons-Noble	7	7	2	2
	Cr Anderson	11	11	2	2
	Cr Bissett	4	4	-	-
	Cr Hayes	11	11	2	2
	Cr Jacobs	7	7	2	2
	Cr Maxwell	11	11	2	2
	Cr Nairn	4	4	-	-
	Cr Oliver	11	11	2	2
	Cr Potter	11	9	2	2
	Cr Windram	11	10	2	2
Audit	Mayor Vaughan	1	1	-	-
	Cr Maxwell	1	1	-	-
	Cr Oliver	1	1	-	-
Briefing Session	Mayor Vaughan	11	6	-	-
	Cr Ammons-Noble	7	7	-	-
	Cr Anderson	11	10	-	-
	Cr Bissett	4	4	-	-
	Cr Hayes	11	11	-	-
	Cr Jacobs	7	5	-	-
	Cr Maxwell	11	11	-	-
	Cr Nairn	4	3	-	-
	Cr Oliver	11	11	-	-
	Cr Potter	11	10	-	-
	Cr Windram	11	9	-	-
Chief Executive Officer Performance	Mayor Vaughan	-	-	1	1
	Cr Ammons-Noble	-	-	1	1
	Cr Anderson	-	-	1	1
	Cr Hayes	-	-	1	1
	Cr Oliver	-	-	1	1
Community Development	Cr Anderson	5	4	2	2
	Cr Jacobs	5	4	2	1
	Cr Oliver	5	4	2	2
	Cr Potter	5	4	2	2

Committee/ Council Meeting	Members	Ordinary Meetings Held	Ordinary Meetings Present	Special Meetings Held	Special Meetings Present
Economic Development	Cr Ammons-Noble	4	4	1	1
	Cr Jacobs	4	1	1	-
	Cr Potter	4	4	1	1
	Cr Windram	4	3	1	-
Finance and Audit	Cr Ammons-Noble	4	4	1	1
	Cr Hayes	4	4	1	1
	Cr Maxwell	4	4	1	1
	Cr Windram	4	3	1	-
Future Planning	Cr Anderson	4	4	1	1
	Cr Hayes	4	3	1	1
	Cr Maxwell	4	3	1	1
	Cr Oliver	4	4	1	1
Parking Management	Mayor Vaughan	2	2	-	-
	Cr Bissett	2	2	-	-
	Cr Hayes	1	1	1	1
	Cr Jacobs	1	-	1	-
	Cr Maxwell	1	1	1	1
	Cr Oliver	2	2	-	-
	Cr Potter	3	3	1	1



Performance against the Strategic Community Plan

CORPORATE LIFE

The Corporate Life Program focuses on the internal capacity building and external positioning of the Town to the broader community.

GROW THE CONNECTION BETWEEN COUNCIL, BUSINESS AND THE COMMUNITY

Advise and support Council and the organisation on issues relating to community engagement, marketing, media relations and branding

Looking back

Over the year the Communications Unit has supported the organisation through development of multiple communications and marketing plans; event management of four events; more followers and reach across all digital channels, and creation of more than 400 design concepts.

Significant support was provided to the \$70 million-dollar Lathlain Precinct Redevelopment Project and also to the Enterprise Agreement and Evolve projects.

Looking forward

In the next financial year the Unit will complete the development of a new website, develop and start rolling out a marketing plan for the Town, a marketing plan to increase library membership and interaction, and a strategic marketing plan to support the Leisure facilities.

Tourism (and generally attracting people to visit, play, learn, live and invest in the Town) will receive a greater and more coordinated focus.



BUILD AND MAINTAIN ORGANISATIONAL CAPACITY

Provision of Human Resource management and Organisational Development initiatives

Looking back

A major focus during the year has been the improvement of the Performance Development System. The evidence-based approach allows for staff and managers to meet regularly and discuss performance demands and issues as they occur. Staff and managers have positively responded to this change.

The linking of the Performance Development System and the Business Planning System has also continued.

Customer service is the newest area to match performance indicators with the Town's strategic results. This linking provides a review framework aimed at improving customer service and effective service delivery.

Over the year, staff performance has been strengthened with ongoing learning and growth. This year's training and development focus has been on improvements in communication skills, engagement strategies, cross-functional cooperation and problem solving.



Looking forward

In the next financial year, Human Resources and Organisational Development will continue to focus on the integration of service and performance.

Some of the major projects will include finalising the current Enterprise Agreement for staff, updating the organisational structure in response to feedback from the Evolve community engagement strategy, and delivering customer-service training as a core competency.

As part of the Integrated Planning and Reporting Framework 2017 Project, a new workforce plan will commence. Engaging with staff will include a staff survey, staff forums, feedback sessions and more. This open source change approach is aimed at maximising staff involvement, learning and growth.

Staff learning and growth will continue to be a focus in the next financial year. More links will be made such as developing a skills inventory; linking competencies to the classification standards, and planning of more cross-functional development opportunities. The Town will also provide ongoing and competency-based training and development as well as the continued cultural change program.

CORPORATE LIFE

The Corporate Life Program focuses on the internal capacity building and external positioning of the Town to the broader community.

SET STRATEGIC DIRECTION THAT PROVIDES A CLEAR VISION AND PURPOSE

Provide project management support to internal officers and work collaboratively to deliver significant projects for Council

Looking back

Over the year the Project Management Office has provided support on projects such as Evolve, Lathlain Precinct Redevelopment Project zones One (Perth Football Club), Three (West Coast Eagles), Four (Lathlain Place Streetscape Upgrade) and Six (Lathlain Community Building) as well as ongoing place-activation initiatives around the Town.

Looking forward

In the next financial year the Project Management Office will continue to provide project-management support on significant projects for the Council. Also, the Project Management Office will continue to provide projects for the Council and to officers and will focus on refining project-management standards and reporting across the organisation.

Be responsible for core organisational services, leadership and strategic direction of the Town

Looking back

The Town has begun a process of organisational transformation to deliver the outcomes of the Strategic Community Plan (Evolve) project. The Plan will help set the future direction of the Town so the organisation will need to respond in a way that provides value for money to the citizens.

Customer service, which has commenced, is a key project for the Town and, moving forward, the Project Management Office will help monitor and improve levels of customer service.

Looking forward

To achieve the Strategic Community Plan objectives the Town will look at how it facilitates the delivery of services and projects into the future. The Town will continue to have an increase in population growth and the pressures that come with that, so there will need to be a level of agility, responsiveness and creativity developed in the organisation to respond proactively.

Key performance indicators have been developed which will set the direction of the organisation and will align with the Strategic Community Plan when its review is complete. The Town will focus on Customer Service, Process, Finance, Employee-learning and growth and Innovation to help improve business performance.

SET STRATEGIC DIRECTION THAT PROVIDES A CLEAR VISION AND PURPOSE

Ensure the values, policies and procedures of Council provide ethical, transparent and accountable local government

Looking back

Over the year the Governance Unit has supported the organisation by reviewing all reports that were presented to the Council, to ensure compliance with relevant legislation. Quarterly Compliance Audits were undertaken which revealed that the Town was compliant with the Local Government Act 1995 and its Regulations.

Looking forward

In the next financial year the Unit will review all policies and develop an internal audit framework for the delivery of the annual audit program. The Unit has developed an internal Working Group to review the Town's Risk Register and implement appropriate action to mitigate against those risks identified as high and requiring action.

Redevelopment of the Victoria Park Town Centre to create a vibrant focal point for the community

Looking back

Over the past financial year this project has not been progressed, in accordance with Council's resolution in February 2015 to stop work on this project. As part of the Evolve Strategic Community Planning project a community forum will be held in September 2016 to understand people's definition of town centres and their expectations for them in a Victoria Park context.

Looking forward

The project in its current form does not exist. The content from the Evolve community forum on this topic will be referenced in the draft Strategic Community Plan.



BUSINESS LIFE

The Business Life Program provides support and infrastructure to ensure that the Town can accommodate growth to achieve its goals. There is a focus on the economic sustainability of the Town.

EFFECTIVE DEVELOPMENT OF SYSTEMS AND PROCESSES THAT SUPPORT THE ORGANISATION TO ACHIEVE OPTIMUM PERFORMANCE

Provision of consistently high levels of customer service that are professional and friendly

Looking back

The Town instigated an overhaul of the current approach towards Customer Service. This included commencing the implementation of a Customer Relationship Management System as well as development of a new Customer Service Charter.

The foyer of the Administration Centre has been given a small refresh including new seating and an informal meeting location.

Looking forward

The finalisation of the implementation of the Customer Relationship Management System is a key priority. This system will help to provide better communication and delivery of service requests for our customers. Surveying, 'mystery shopping' and other service-level measures will also be implemented and used to assess individual, team and organisational performance.

Administration and operation of all corporate finance related matters, including cash-receipting, billing, investment of funds, payment of creditors, and the corporate finance systems

Looking back

The Finance and Audit Committee of Council was established during the year, with the role of the Committee being to provide strategic direction for the finance and audit functions of the Town, as well as provide leadership for asset management.

During the financial year, external valuers undertook asset valuations on all Council assets and this has had a significant impact on the recorded value of the Town's assets.

As a measure of performance, at the end of the 2015-2016 financial year, the Town had collected a little over 98.5% of the levied rates, which is considered an excellent achievement.

Looking forward

During the next financial year, the Town will focus on an increase in efficiencies by reviewing current finance procedures and moving them towards a paperless work environment.

Reviews of a new Procurement Policy and a new Investment Policy will also be finalised and fully implemented.

A review of the financial management systems and procedures, in accordance with the *Local Government (Financial Management) Regulations 1996*, will be conducted during the 2016-2017 financial year.

EFFECTIVE DEVELOPMENT OF SYSTEMS AND PROCESSES THAT SUPPORT THE ORGANISATION TO ACHIEVE OPTIMUM PERFORMANCE

Provision, operation and maintenance of the corporate technology and records systems

Looking back

A significant upgrade of the microwave links and site backup arrangements between all six of the Town's operational facilities has been completed. This has provided improvements in speed and reliability between all sites. It also provided suitable alternate arrangements should any single site experience business continuity issues.

Looking forward

During the next financial year improvements of many of the Town's core systems are scheduled. This will include improvements to the finance system to provide a paperless environment, simplification of the Town's records-management system, implementation of new facility-booking systems, and the provision of hardware improvements to in-the-field operators.

FACILITATE AND ENCOURAGE A STRONG, VIBRANT AND SUSTAINABLE LOCAL ECONOMY

Development of the local economy, in conjunction with local businesses, as well as the generation of revenue from funding sources outside the District

Looking back

During the past financial year, two significant promotional highlights included the facilitated television exposure of the local government area through *Destination WA*, and also showcasing the variety of food in the district by hosting a Multicultural Food and Race Day at the Belmont Races.

New area-marketing relationships with surrounding Councils have been developed and this has culminated in the creation of the *Grow South East* economic development group, which will seek to increase government funding to the South East metropolitan region.

Businesses have also been encouraged to undertake social media marketing classes held in the Digital Hub. This has been well received by members of our small-business community.

Looking forward

In the next financial year increased engagement and communication with businesses and traders in the area is a key focus. Training services, tailored to specific needs, will also be offered as well as other support and general assistance.

A review of the *Economic Strategy and Tourism Plan* will be undertaken and this is likely to result in significant changes to the way in which the Town delivers services in this field.

The Town's Relationship Management Strategy will also be reviewed throughout the year. Relationships formed using the current strategy have already delivered more than \$150,000 in grant funding and contributions as well as providing new links to partnerships that are likely to bring about economic benefits to the Town.

BUSINESS LIFE

The Business Life Program provides support and infrastructure to ensure that the Town can accommodate growth to achieve its goals. There is a focus on the economic sustainability of the Town.

ENSURE REGULATORY RESPONSIBILITIES OF THE TOWN OF VICTORIA PARK ARE IMPLEMENTED

Administration and operations to ensure compliance with legislative requirements in the areas of Environmental Health, Rangers' Services and Parking Management

Looking back

Similarly, as in the previous year, the Town surpassed regulated inspection requirements for food premises, public buildings, aquatic facilities, lodging houses, hairdressers and skin penetration establishments.

Proactive patrols by Town Rangers have reduced the number of people camping in vehicles in the Town's car parks and reserves and have also positively reduced street littering and illegal dumping. An important and worthy success is 92% of dogs impounded at the Animal Care Facility were either returned to their owners or rehomed.

Looking forward

A chief law in Environmental Health has been the *Health Act 1911*. This has been replaced by the *Public Health Act 2016*. As a result, a new Local Public Health Plan is being drafted for adoption and will be implemented during the next financial year.

Mobile computing for Environmental Health Officers and Town Rangers will be trialled to assist in delivering more in-the-field services. This will ultimately provide more effective and efficient service delivery.

Collaboration between key service units of the Town and local schools will investigate and deliver better school parking management, which will reduce the risk of traffic incidents involving students.

Provision of equitable access to limited public space as a key part of the Town's Integrated Movement Network

Looking back

Changes to the conditions of paid-parking in and around the Burswood commercial/light industrial area, Oats Street and the Raphael Park precinct had an immediate impact. Reduced parking fees were introduced in these areas and this resulted in increased revenue and increased parking utilisation.

Looking forward

Parking efficiency reviews will be conducted along Albany Highway in the next financial year, and Licence Plate Recognition (LPR) technology will be implemented as an aid to managing parking compliance.

ENCOURAGE INNOVATION IN THE WAY WE DO BUSINESS

Administration of the Business Life Program, including specialist programs and projects relating to the Business Life Program

Looking back

Operational reviews for each of the business units in the Business Life Program were undertaken. This included comparisons with other local governments, reviews of staffing and resources, and the development of a series of productivity recommendations that are currently being enacted.

Members of the Business Life Program have also been encouraged to assist in, and have been heavily involved in, the Town's current public engagement program, Evolve.

Looking forward

Discussions with the Curtin University Centre for Innovation and ACROD Permit Providers will continue, aiming to develop a technological solution to optimise Licence Plate Recognition (LPR). This may have positive national and international implications for ACROD holders.

Improved measurement systems will also be implemented organisationally to drive improvements to service delivery and performance. This will also include greater reporting, which will lead to improved transparency and accountability.



FUTURE LIFE & BUILT LIFE

The Future Life Program provides an integrated comprehensive direction for the future growth of the Town. The Built Life Program area strives for excellence in the built environment.

PROVIDE AN INTEGRATED COMPREHENSIVE DIRECTION FOR THE FUTURE DEVELOPMENT OF THE TOWN

Provide strategic planning direction and advice on development and projects to ensure an integrated comprehensive direction for the future development of the District

Looking back

The second precinct of the Belmont Park Redevelopment Structure Plan received planning approval, allowing improvements of the Belmont Park Racecourse zone. The first precinct to receive planning approval was the transit-orientated development next to the new Perth Stadium Station.

Comprehensive feedback was also provided to the Department of Transport about their Perth Transport Plan.

Looking forward

Work will continue on the Housing Strategy, in preparation of the Town's Local Planning Strategy. The Local Planning Strategy will provide direction for the growth of the Town as we strive to accommodate the State Government's target of an additional 19,400 dwellings in the Town by 2050.

IMPLEMENT PROJECTS TO ACHIEVE THE DESIRED FUTURE CHARACTER OF THE TOWN

Administration of the Future and Built Life Programs, including specialist programs and projects relating to the Future and Built Life Programs

Looking back

The reduced number of planning and building applications this year has allowed the Town to increase focus on proactive future-planning. We have been reviewing our Business Unit service levels to ensure the Town is meeting legal requirements, and the needs of our community and customers. The Town has also started reviews of several policies and procedures.

The Town has taken a strong role in progressing the future-planning with the State Government. Our industry leading Design Review Committee has been invited to join in the *Planning Reform for Better Design*, an initiative of the Department of Planning and Government Architect's Office to improve the design outcome of development approvals in Western Australia.

Looking forward

The Draft Structure Plan for Burswood Station East will be completed in 2016-2017, including community consultation on the proposal prior to final approval. This will guide the redevelopment of the underused light industrial area between the railway, Graham Farmer Freeway and Great Eastern Highway into a mixed-use residential and commercial neighbourhood.

IMPLEMENT PROJECTS TO ACHIEVE THE DESIRED FUTURE CHARACTER OF THE TOWN

Preservation and development of the Edward Millen site for future prosperity

Looking back

A submission has been lodged with the Department of Lands requesting an amendment relating to the transfer of land that limits the use of the Edward Millen site to 'community, recreational or civic purposes'. This amendment aims to give more flexibility for the use of the site, to ensure a sustainable future and allow the Town to create a vibrant and commercially viable community asset.

A procedure for short-term use of the Edward Millen site was prepared and approved by Council. This included principle support to fund the installation of a temporary kitchen and toilet facilities during short-term use of the site.

Looking forward

Basic renovations to amenities at Edward Millen will occur to allow for the use of renovated rooms in the Rotunda Building.

The Town hopes to receive approval from the Department of Lands to vary the conditions of land use at Edward Millen. Planning will start for the future use of the site, with a view to activating the site, meeting the Conservation Plan requirements, and making a connection with the community.

Identify and optimise the management, and/or disposal of the Town's Land Assets

Looking back

The Land Asset Optimisation Strategy gave recommendations for optimising the use of the Town's land assets, to help the Council's financial sustainability for the future.

Actions on a number of properties were progressed to improve their asset value to the Town, this included both Metropolitan Region Scheme and Town Planning Scheme amendments to zoning.

Looking forward

The Town will continue to make recommendations for the Land Asset Optimisation Strategy to help future revenue opportunities.



FUTURE LIFE & BUILT LIFE

The Future Life Program provides an integrated comprehensive direction for the future growth of the Town. The Built Life Program area strives for excellence in the built environment.

ENSURE THAT DEVELOPMENT WITHIN THE TOWN STRIVES FOR EXCELLENCE IN THE BUILT ENVIRONMENT, INTEGRATES SYMPATHETICALLY WITH THE EXISTING AND DESIRED CHARACTER OF THE TOWN, IS SAFE AND RESULTS IN A HIGH LEVEL OF AMENITY FOR THE COMMUNITY

Provide building services aimed at ensuring buildings are safe, liveable, accessible and sustainable, and meet statutory requirements

Looking back

The Town has reviewed business unit service levels to ensure we are meeting legal requirements and the needs of our community and customers.

Looking forward

The Town will be considering opportunities for increased inspection of building works, and proactive compliance.



FACILITATE APPROPRIATE DEVELOPMENT IN THE TOWN BY WORKING COLLABORATIVELY WITH CLIENTS AND IMPLEMENT LOCAL PLANNING SCHEMES TO PROVIDE INCENTIVES FOR DEVELOPMENT TO OCCUR.

Promote the development of a high-quality built environment and liveable, vibrant streetscapes to enhance the unique character of the district

Looking back

A number of policies and practices have been reviewed and rewritten. Public feedback on these items will be requested in the new financial year.

Looking forward

Town Planning Scheme No.1 will be reviewed, and helpful changes will be made in preparation of a new scheme in the future.



COMMUNITY LIFE

The Community Life Program focuses on the development of a healthy community, strong neighbourhoods and cultural celebration and encourages lifelong learning.

CONNECT PEOPLE TO SERVICES, RESOURCES AND FACILITIES THAT ENHANCE THEIR PHYSICAL AND SOCIAL WELLBEING

Provision of health-related community based programs, facilities and activities to improve the community's wellbeing

Looking back

The Active Life team delivered four term programs focusing on non-traditional physical activity, nutrition and mental health, engaging more than 4,500 people and sending newsletter information to more than 11,000 readers. The team also provided health and wellbeing resources and program opportunities directly to members/residents at external organisations including Ngala and Bentley Park Retirement Village.

Active Life became a partner to the health campaign - Act, Belong, Commit and LiveLighter – and received resources and merchandise worth \$2,000 to deliver related messages in the Town.

Looking forward

A Public Health Plan for the Town will be developed, and work will continue with the East Metropolitan Population Health Unit to complete food mapping of the Town, and develop an alcohol profile of the Town, and deliver a smoke-free entrance at Leisurelife and Aqualife Centres.

Health-related programs and resources will continue to be rolled out, based on current health research, community needs and industry trends while continuously exploring partnership opportunities.

Work will continue, with the Communications and Marketing team, to promote the Leisure Facilities and programs, as well as to develop a Strategic Marketing Plan.

Provision of facilities and programs in the areas of swimming, health and fitness aimed at improving community participation rates in physical and leisure activities

Looking back

The Aqualife Centre achieved nearly 6000 Swim School enrolments throughout the year.

Leisure Facility memberships were maintained with approximately 2,700 members across both the Aqualife and Leisurelife centres.

Aqualife received a Gold Award from Water Corporation for saving a further 35% to 50% through various water-saving initiatives.

17 school and club carnivals were held at Aqualife through March and April of 2016.

The provision of Women Only Swimming Classes was promoted as part of the English Conversation Classes facilitated by Neighbourhood Enrichment.

Looking forward

A review of the commercial viability of the Aqualife and Leisurelife Centres will be initiated.

Major capital spending is planned.

An Equitable Lane Management Project and an Equitable Clubroom Allocation Project will be initiated at Aqualife.

Collaboration will occur between Aqualife and a local Swimming Club in facilitating a grant application for Refugees and Asylum Seeker swimming classes.

CONNECT PEOPLE TO SERVICES, RESOURCES AND FACILITIES THAT ENHANCE THEIR PHYSICAL AND SOCIAL WELLBEING

Provision of facilities, sports opportunities and community programs aimed at improving community participation rates in physical and leisure activities

Looking back

Over 2700 games of Adult Sports Competitions were completed at Leisurelife, across basketball, indoor soccer netball and mixed basketball featuring more than 130 teams and more than 700 players.

Leisurelife major capital works included installation of three industrial fans and six motorised basketball backboards with adjustable heights.

During four Leisurelife holiday programs 2200 children participated in excursions and incursions.

More than 60 junior netball teams competed in 600 games; there were more than 100 individual nominations for junior netball, basketball or soccer coaching at Leisurelife.

Leisurelife facilitated more than 6000 bookings for squash, and support for the Victoria Park Squash Club pennant games.

The Town administered \$35,000 under the Department of Sport and Recreation Kids Sport program.

The seven Active Reserves in the Town continue to be well utilised by 17 local sporting and recreational clubs and four schools.

Seven registered personal trainers provide fun exercise sessions around the community.

A Disc Golf Course has been installed on Taylor Reserve.

Information sessions on how to book reserves and related requirements occurred.

Collaboration occurred with service providers, State sporting associations, schools, and culturally and linguistically diverse groups to facilitate a grant application for a local Youth Sports Hub.

Looking forward

Major capital spending will occur at Leisurelife.

Leasing and partnerships at Leisurelife will continue with Agility Rehabilitation, Perth Basketball Association and WADSA.

Awards will be introduced at Leisurelife for junior and seniors sports teams and umpires.

Training and workshops will occur at Leisurelife for Just 4 Kids school holiday program staff.



CONNECT PEOPLE TO SERVICES, RESOURCES AND FACILITIES THAT ENHANCE THEIR PHYSICAL AND SOCIAL WELLBEING

Foster the engagement, inclusion and enrichment of people, place and participation through community and cultural events and initiatives

Looking back

Initiatives such as Street Meet 'n' Greet and Neighbour Park Parties have proved to be very successful in bringing neighbours together.

A grant for \$16,000 was received for graffiti removal and prevention.

The Community Safety Working Group implemented a 'Who to Call' flyer that advised residents of the best agency or service provider to contact regarding community safety issues.

Town staff were trained in identifying how best to deal with Clandestine Methamphetamine Labs.

In partnership with Connect Victoria Park Inc, Harold Hawthorne Centre, and Vic Park Centre for the Arts, the Town launched The ACKNOWLEDGE Exhibition, to celebrate Seniors Week and all the different ways that older people are important to us and our community.

Free English Conversation Classes were provided in partnership with Curtin Volunteers! and Vic Park Centre for the Arts.

Regular attendance and participation by the Australian Electoral Commission was initiated at local Citizenship Award evenings.

The Aboriginal Engagement Strategy Group membership worked towards developing a Reconciliation Action Plan (RAP) for the Town.

Links were established with Clontarf Foundation to inform and educate staff on its services, and promote Aboriginal & Torres Strait Islander (ATSI) apprenticeships and traineeships.

The Reconciliation Week Banner Project 2016 saw the expansion of the banner display in the City of Perth to surrounding areas.

The 2016 Victoria Park Arts Season was staged in April and May, comprising 28 events, 13 of which were funded by the Town and involved numerous education and engagement workshops/ initiatives for the public to experience.

Five community events were delivered.

The Town purchased a significant series of illustrations, 'EAGLE'S NEST - Warlawurru Manngutjarra', by Shane Pickett, and a painting, 'Nyoomburt- Flowers', by Lindsay Harris.

The Digital Hub continued to address the widening gap between those who engage with online technologies and those who don't.

Looking forward

The following guiding documents will be developed;

- Community Grants Policy and Management Practice
- Community Development Strategy
- Events and Activation Strategy
- Public Art Policy
- Safer Neighbourhoods Plan
- Disability Access and Inclusion Plan
- Events Manual

The 2017 Arts Season will be hosted, taking into account feedback and lessons learnt from the inaugural 2016 Arts Season.

The Digital Hub will work to prevent the disadvantaged sector of society from missing opportunities that newer digital services create, and will develop greater autonomy of the Hub by empowering volunteers.

PROVIDE OPPORTUNITIES FOR LIFELONG LEARNING FOR ALL SECTORS OF THE COMMUNITY

Provision of technology learning-opportunities for the local community, not-for-profit organisations and businesses, in a friendly, interactive and exploratory environment

Looking back

The Digital Hub worked closely with various partners to reach different groups of the community.

The Digital Hub program has exceeded expectations of community use by delivering 543 group sessions and 1812 one-to-one sessions.

The Hub is managed by one full-time staff member and 13 part-time volunteers who donate a total of 72 hours per week equating approximately to more than \$60,000 of service per year.

Looking forward

The Digital Hub will focus on working cross-functionally with the Town's Economic Development Officer, to continue to explore and develop relationships across the Town, and value-add with technology across community groups.



PROVIDE OPPORTUNITIES FOR LIFELONG LEARNING FOR ALL SECTORS OF THE COMMUNITY

Provision, operation and delivery of local history and library services to encourage and engage the community with opportunities to explore ideas, interact with others, discover the Town's history and become lifelong learners

Looking back

The Town of Victoria Park Library delivered the following activities;

- fourth Early Settlers Celebration
- updated and reprinted *Town of Victoria Park Timeline*
- participation in the Arts Season
- various information sessions in partnership with Telethon Institute, Curtin University Mechatronic Engineering students, Nexus Fair Community, Protective Behaviours WA, St John Ambulance, Armed for Life and Hearing Australia
- three Buzz Week programs
- *Write Along the Highway* writing event with seven other local government authorities
- community events with pop-up libraries
- national events like National Simultaneous Storytime, Summer Reading Club, Reading Hour, Children's Book Week, National Science week, NAIDOC week, National Youth Week, Library and Information Week, Library Lovers Day and Families Week
- international events like International Games Day and Star War Reads Day.

A new air-conditioning system was installed.

In the year there were;

- more than 102,000 visitors
- more than 311,000 items loaned out
- delivery of 85 events for adults and 202 children's events with more than 6,000 entries to these event
- more than 31,300 logins for public access, with people online for more than 22,200 hours.

Looking forward

In the new financial year the Library plans to;

- upgrade the Youth Area
- upgrade and improve the Library entrance space
- repaint the Library interior
- implement a Learning English Through Storytime (LETS) initiative
- ensure a greater Library presence at Community events to engage with current non-Library members
- review its biennial Local History Awards
- develop a Library, Literacy and Learning Strategy that outlines the way forward for the Town's Library Service over the next five years
- work with the Communications and Marketing unit to develop a strategic marketing plan, taking into account the objectives of the Library, Literacy and Learning Strategy
- develop a business case for the introduction of RFID.



CREATE A VIBRANT TOWN THAT IS A PLACE OF SOCIAL INTERACTION, CREATIVITY AND VITALITY

Relocation of the Victoria Park-Carlisle Lawn Bowls Club to a Multi-Purpose Sports and Community Facility

Looking back

After reviewing the Business Case that had been presented for consideration at the 11 February 2014 Ordinary Council Meeting, the Council resolved not to progress with the development of the Carlisle Lathlain Community Centre (previously referred to as the Multi-Purpose Sports and Community Facility). As a result, the relocation of the Victoria Park-Carlisle Bowling Club has not occurred, with the Club remaining in its current location.

Looking forward

This project will not be progressed.

Administration of the Community Life Program, including specialist programs and projects relating to the Community Life Program

Looking back

During the year a pre-feasibility study was undertaken for the potential relocation of the Victoria Park Xavier Hockey Club and work commenced on the development of a Business Case that explores the possible relocation.

Reviews took place of the Sporting Walk of Fame and Council Policy and Procedure PLNG3: Public Art Private Developer contribution.

A review of Sponsorship was initiated, with the intention of informing a new Community Grants Policy and Management Practice.

Involvement occurred in the Higgins Park Masterplan Working Group and the South East Metro Human Services Managers Forum.

A system for tracking and recording external grant-funding opportunities was developed and introduced.

Looking forward

In accordance with the Lease Agreement with the West Coast Eagles a Community Benefits Strategy will be developed to provide additional community and social benefit to the Town of Victoria Park community.

A review of the commercial viability of the Aqualife and Leisurelife Centres will occur.

Community Planning and Community Development strategies will be developed.

An Events and Activation Strategy will be developed.

A Strategic Marketing Plan for the Aqualife and Leisurelife Centres, and the Active Life Business Unit will be developed.

The Business Case that explores the potential relocation of the Victoria Park Xavier Hockey Club will be finalised.

A Policy and Management Practice regarding homelessness in the Town will be developed.

A Closed Circuit Television (CCTV) Strategy for the Town will be developed.

ENSURE PARKS AND NATURAL AREAS ARE PROVIDED TO THE BEST STANDARD

Provision of high standard parks and natural areas that are safe, clean and attractive

Looking back

George Street Reserve is Crown land managed by the Town. In 2011 Council resolved that this Reserve will be cultivated into bushland and integrated with the adjoining Bush Forever land of Kensington Bushland. The past year has seen more than 7000 tube stock planted in the Reserve, along with other minor revegetation works.

G.O. Edwards Park continues to be a highlight of the Town, complementing the adjacent parks managed by the Burswood Parks Board.

Taylor Reserve and McCallum Park are the destination of choice for major events including the Perth 4WD Show, Eventing in the Park and the Perth Garden Festival. With more than 65,000 people attending these particular events the Town needs to ensure the areas are maintained in a safe, clean and attractive condition.

Verges are mowed three times throughout the year. Annual street tree-pruning continues to ensure trees are maintained in a healthy condition.

Annual turf renovations are undertaken to ensure all of the Town's active reserves provide a high quality playing surface for sports teams.

The following capital renewal and upgrade projects were completed;

- Fletcher Park – cricket practice wicket lights
- Balbuk Way – installation of benches
- Parnham Reserve and Fraser Park – upgrade/installation of irrigation system
- Fraser Park and Carlisle Reserve – installation of synthetic cricket wickets
- Tree Planting
- George Street Reserve – revegetation project continues
- Edward Millen Reserve – installation of bollards.

The Town continues to promote *Switch Your Thinking* which seeks to assist residents and community members to make sustainability changes. Recent initiatives have included the *Rewards for Residents* scheme and Cleaning with Chemistry Workshop.

The Town has been participating in the Water Campaign since 2007. A key product is the development of a Water Action Plan. The Town has also participated in the Waterwise Council Program. As the funding for the Waterwise Program ceased, the Town joined the Eastern Metropolitan Regional Council's Water Quality and Conservation Program.

Upgrades to our irrigation systems have resulted in significant savings in water usage over the past year, with more than 3.1 million litres of water saved.

ENSURE PARKS AND NATURAL AREAS ARE PROVIDED TO THE BEST STANDARD

Provision of high standard parks and natural areas that are safe, clean and attractive

Looking forward

The Town has approximately 15,200 street trees and 3,000 trees within our Parks and Reserves which are managed by our Parks Business Unit. A new approach to Urban Street Tree Management has been undertaken which builds on the current street tree maintenance schedule and current practice, but will also include a greater level of management of trees within parks and other reserves.

Successful funding will allow work with the Green Army and 20 Million Trees to assist in natural area management.

McCallum Park will continue to be maintained to a high standard and will benefit from the following works;

- installation of the lights at the Basketball Courts
- CCTV upgrade for the Basketball Courts
- new nets and rims for the Basketball Courts
- upgrade to the irrigation system
- security lighting at the Garland Street toilets
- foreshore river-wall upgrade under the Causeway
- skate bowl resurfacing
- bollards from Canning Highway to Causeway.



The entry statement on Great Eastern Highway will be upgraded.

Planting of more than 400 trees within our verges, parks and reserves will be occurring.

Fletcher Park cricket nets will be upgraded.

The existing four grass courts at Higgins Park Tennis Club will be upgraded to hard courts.

The existing Dog Exercise Area at Lathlain Park will be relocated to the old Lathlain/ Carlisle Bowling Club site.

A central control irrigation system will be installed to allow better monitoring and watering of our parks and reserves.

The Town will once again support Garage Sale Trail.

A *Switched on Staff* program will be delivered along with an electric bike trial in October and a Keep-Cup initiative.



ENSURE PARKS AND NATURAL AREAS ARE PROVIDED TO THE BEST STANDARD

The redevelopment of the Lathlain Precinct

Looking back

The Lathlain Precinct Redevelopment Project is considered one of our priority projects. Key achievements for the project include:

Zone 1 – Perth Football Club

The Town is awaiting determination of its application for \$7.5m from the National Stronger Regions Fund to progress the redevelopment of the Perth Football Club and community facility.

Zone 2 – Community Activity

This zone will be an area for passive recreation. Through the preparation of the Management Plan for Lathlain Park, a robust community engagement strategy is being implemented and will result in the collaborative design to meet the needs of the Town and its community.

During the past year there was little progress for the zone. A Project Manager was nominated in mid-2016 with the intent to commence works on this zone.

Zone 3 – West Coast Eagles

The Town supported the development application submitted by the West Coast Eagles Football Club to commence forward works at Lathlain Park. The principal aim of these forward works is to create the two AFL standard ovals and to prepare the site for the overall development.

Zone 4 – Lathlain Place

The streetscape was refreshed and now provides a complete refresh of the street, making it an attractive, interesting and user-friendly area which is not just a thoroughfare but a central point for the community to gather and participate in activities.

Zone 5 – Rayment Park

A major upgrade of the Park is being undertaken and will include;

- three new playgrounds (Junior, Senior and Nature Play)
- network of paths
- BBQ area
- landscaping works including tree plantings
- new fencing and uplighting of selected trees.

Zone 6 – Community Building

Suitably qualified organisations were invited to tender for the Construction of the Lathlain Place Community Building. A sod-turning ceremony was held on the 5 November 2015 with representatives from the Town of Victoria Park, Carlisle Victoria Park Toy Library, Lathlain Playgroup, the Department of Health, community members and local politicians to signify the start of construction. The successful tenderer, McCorkell Constructing, commenced construction in November 2015.

Zone 7 – Equitable Access

The Movement Network Report and the Staged Parking Management Plan were completed in May 2016. The scope is anticipated to deliver 96 new 90 degree parking bays located within the existing McCartney Street Road Reserve (Lathlain Oval side), a new 2.5m shared use path alongside the perimeter to link Roberts Road and Goddard Street, intersection improvements, landscaping and upgraded street lighting.

Zone 8 – Scouts

A strong partnership was established with the local Scouts Group and Scouts WA, which has resulted in the scope and needs of the community group being identified.

ENSURE PARKS AND NATURAL AREAS ARE PROVIDED TO THE BEST STANDARD

The redevelopment of the Lathlain Precinct

Looking forward

Zone 1 – Perth Football Club

The Town has commenced the process of developing the Lathlain Park Management Plan that aims to guide the overall development of Lathlain Park. The Town will continue to develop a strategy to fund its contribution to a redeveloped Perth Football Club and community facility, and will continue to investigate external funding opportunities.

Zone 2 – Community Activity

At the commencement of the 2016/17 financial year a landscape architect was employed to assist in the design and delivery of Zone 2. It is intended that through a robust community engagement strategy a collaborative design will be developed. It is expected that construction would commence soon.

Zone 3 – West Coast Eagles

The West Coast Eagles together with the Town, Perth Football Club and a dedicated Community Reference Group has commenced the process of developing the Lathlain Park Management Plan that aims to guide the overall development of Lathlain Park.



Zone 4 – Lathlain Place

Streetscape upgrade was largely completed by the end of the 14/15 financial year. During the 15/16 financial year, the final aspects of the upgrade were completed which involved the installation of some benches and flexible alfresco seating.

Zone 5 – Rayment Park

Construction of the verge parking, new playgrounds, picnic facilities and natureplay area will start to be installed early 2017. Landscaping and tree planting should commence in the winter months of 2017.

Zone 6 – Community Building

Construction of the new Community Building commenced in November 2015 and is now largely complete. Remaining works include the completion of the internal fitout of the building and landscaping of the rear of the site.

Zone 7 – Equitable Access

A small budget of \$22,300 carried forward from 15/16 will finalise a consultant to undertake a brief for the detailed design work along McCartney Crescent.

Zone 8 – Scouts

A staged approach to Zone 8 is being undertaken and will include;

- soft landscaping, including the removal of bitumen and replacement with turf and the installation of pedestrian pathways
- fencing
- new double storage shed
- refurbishment to the existing hall to improve functionality and use by the Scouts and community groups.

ENSURE RESIDENTS HAVE SAFE, CLEAN AND ATTRACTIVE STREETSCAPES

Provision of design, maintenance and construction services related to street infrastructure and waste management

Looking back

A variety of road resurfacing works, upgrades and roadworks were delivered. The projects were either partly funded through Metropolitan Rehabilitation Group (MRRG) grants or wholly funded by municipal funds. What makes these projects stand out during recent years is that the Town has positively collaborated with Main Roads WA to adopt practical innovations to encourage safe road speeds. In addition, a number of these roads have been reshaped to minimise flood risks to private properties, thereby saving hundreds of thousands of dollars that would have been required annually for the upgrading and renewal of our drainage network.

Road Safety and Traffic Management projects targeted several road locations in the Town where recorded crashes have occurred. In the Town's continuous commitment to road safety, more than \$500,000 of external grant funding has been allocated to the road safety programs.

The Town has progressed the implementation of relatively low cost drainage upgrade works at critical locations in conjunction with identified road asphalt renewal projects. These works are done in line with the Town's stormwater drainage management strategy.

The Hillview/Berwick Intersection Improvements project was staged over two years and involved changes to the traffic signals, turning lanes, improved sight distances and improvements to the median island.

The Town has an annual budget dedicated to the upgrade of the remaining unsealed right of ways. During the year works on these right of ways included sealing works, drainage improvements, lighting and fencing.

The Town collects bulk waste in February, May, August and November each year. Green waste is diverted from landfill and turned into horticultural products.

The Town undertakes sweeping of all roads and footpaths on a regular basis. The Town also provides a sweeping service to the City of South Perth as part of a joint collaboration.

Looking forward

Works will include road resealing and drainage renewals.

Long-term waste and recycling collection service will occur.

In keeping with the Town's Strategic Waste Minimisation Plan a contract has been awarded to Cleanaway Pty Ltd for the provision of waste and recycling services including a number of new initiatives that will make the Town more environmentally sustainable.

EFFECTIVELY MANAGE, MAINTAIN AND RENEW THE TOWN'S ASSETS

Provision of planning, management and maintenance services for the Town's facilities

Looking back

Monthly audit inspections of all Clubrooms have been introduced to detect any maintenance issues.

A Consultant has been appointed to undertake a full Condition Report of Harold Hawthorn Centre, Library, Leisurelife, Administration Building and Aqualife. This report has the principal objective of providing sufficient information about the type and number of assets on site, together with likely future capital expenditure costs for plant and equipment replacement/upgrade and repair and comments on the current maintenance regime.

A Building Officer has been appointed to oversee the maintenance and capital works required at Leisurelife, Aqualife and Library.

As a Town initiative, disabled access toilets were opened to the public on active reserves.

Two household hazardous waste collection days are undertaken during the year.

Looking forward

New tenders for cleaning of the Town's Administration Building, Aqualife, Public Toilets and Disabled Toilet facilities will be considered and appointed for up to five years.

A Leasing Policy will be developed which will establish a framework that supports the Town's properties being leased in the best interest of the community and Council.

The Town is seeking to engage a contractor who can supply our Aqualife facility with gas to power the boiler units required to heat the pools in the facility.

Provision of planning, management and maintenance of the Town's fleet and plant assets

Looking back

Significant overhaul of the Town's existing fleet management system and practices was achieved. A number of free services have been secured by way of dealerships' mechanics coming to the Town's depot to inspect and service heavy plant and machinery, which resulted in significantly fewer breakdowns.

The Ranger vans have been replaced with new utilities and animal-carrying bodies designed internally by the Town.

The Town and City of South Perth have secured an in-principle agreement to share a number of plant items and machinery, which resulted in significant reduction in breakdowns and resource downtime.

Looking forward

Specifications for road and footpath sweepers which are reaching the end of their service lives are being prepared.

Review of the current Fleet Management system will continue.

The Fleet Policy and Management Practice will be redeveloped using best-practice principles and techniques.

EFFECTIVELY MANAGE, MAINTAIN AND RENEW THE TOWN'S ASSETS

Renewal of the Town's assets in accordance with Asset Management Plans

Looking back

The roof at Kensington PCYC was replaced.

The Library has benefited from various upgrades including a new storage shed and the replacement of the air-conditioning system.

The Aqualife Centre changerooms on pool deck were upgraded.

The Victoria Park Bowling Club required works to ensure it was compliant with the latest Health Laws. The works included redoing the floor with heavy-duty covering that curves up the wall edge; separate sinks for handwashing, and a new extraction hood over the oven area. An upgrade to the electrical switch board was also completed.

The Leisurelife Spin Room ventilation and air-conditioning upgrades were completed.

New electric basketball backboards were installed for the three courts at the Leisurelife Centre.

The disability access ramp, handrails and new electric door in the foyer of the Harold Hawthorne Centre were upgraded.

Looking forward

Upgrade of the air-conditioning system at the Administration Building will occur.

At the Harold Hawthorne Centre there are minor maintenance issues programmed.

Improvements are planned for the Aqualife Centre and Library.



PROVIDE LEADERSHIP ON ENVIRONMENTAL, TRANSPORT AND INFRASTRUCTURE SOLUTIONS

Provision of capital works and transport programs designed to encourage shifts towards more sustainable public transport, cycling and walking to help manage traffic congestion and parking demand

Looking back

Funding was acquired from the Department of Transport to install footpaths and cycling facilities. The aim of this program is to encourage a more sustainable, healthier and more environmentally conscious manner of transport and movement. New paths were designed to meet the Australian Disability Standards.

Street Life worked very constructively with the Public Transport Authority to assist it to prioritise works to upgrade various bus shelters in the Town, resulting in the installation of 10 new bus shelters.

Looking forward

A Footpath Project with the City of South Perth will be initiated.

Construction of a staged shared footpath on Rutland Avenue, Carlisle, will occur.

Administration of the Renew Life Program, including specialist programs and projects relating to the Renew Life Program

Looking back

There was a significant resource commitment to developing the Town's Procurement Policy and implementation of the Customer Relationship Management system.

The Capital Works Planning Tool was developed along with delivery of the two-year prioritised works program.

There has been a process improvement in the cross-functional management of capital projects.

Data collection for the Town's wastebin audit occurred.

Assistance was provided to the review of the Town's Fleet Policy and the development of the comprehensive Light Vehicle Management Practice.

Looking forward

Finalisation of the maintenance schedules and implementation of service levels for operational services will occur.

New key Renew Life policies relating to Tree Management, Fleet Management, Design Procedures and Leasing will be developed.

Town-specific preferred-supplier contracts will be developed.

STATUTORY REPORTS

COMPETITION PRINCIPLES AGREEMENT — NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy.

Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

The Town is therefore required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles.

The Competition Principles Agreement (CPA) is a contractual agreement between the Federal Government and all State and Territory Governments. Local government is committed to the CPA through the State Government's involvement. The focus of the CPA is to ensure that all public enterprises operate in a transparent manner in the best public interest. This requires that public enterprises review their operations to ensure that they do not have a competitive advantage or disadvantage resulting from their status as public enterprises. To ensure compliance with the CPA, local governments are required to include in their annual reports certain particulars in relation to CPA. The Town supports the concept of the CPA and in this regard the following particulars are reported:



Competitive Neutrality

It is the Town's responsibility to determine whether it is engaged in 'significant business activities' within the context of its operations and therefore whether it is required to apply the competitive neutrality principles.

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria the Town identified the following business activities:

- Aqualife Centre
- Leisurelife Centre

The public benefit tests for these activities revealed that competitive advantages and disadvantages existed in each of these two leisure centres and it was beneficial to the local community to continue the operational subsidies to enable the services to be maintained in the future.

At present no activities undertaken by the Town have been classified as either a Public Trading Enterprise or a Public Financial Enterprise by the Australian Bureau of Statistics. During the reporting period the Town did not receive any allegations of non-compliance with the principles of Competitive Neutrality.

Structural Reform of Public Monopolies

The Town does not operate any Public Monopolies within the CPA definition and accordingly there is no reporting requirement. The Town did not privatise any activities during 2015/16.

LOCAL LAWS

On the 14 June 2016 the Council finalised a review of the *Town of Victoria Park Signs Local Law 2006* with no amendments being made.

On 10 May 2016 a review of the *Town of Victoria Park Parking and Parking Facilities Local Law 2008* commenced. It is envisaged that the review will be finalised in November 2016.



STATUTORY REPORTS

LOCAL GOVERNMENT (RULES OF CONDUCT) REGULATIONS 2007

These regulations require the reporting of various offences by Council Members, as prescribed by the Regulations. Council Members must comply with their obligations under the *Local Government Act 1995* (the LG Act) and subsidiary legislation. Complaints about Council Member conduct are to be made to the Complaints Officer who, in accordance with section 5.120 of the LG Act, must be a designated senior employee. The Town's Complaints Officer is the Chief Executive Officer. It is pleasing to report that for the 2015/16 fiscal year no complaints were received concerning Council Members and, therefore, no reports were necessary.

PUBLIC INTEREST DISCLOSURE

In accordance with the requirements of the *Public Interest Disclosure Act 2003* (the PID Act), the Town has established procedures to facilitate the making of disclosures under the PID Act. These procedures set out the processes in place in relation to protected disclosures generally, to protect people from reprisals for making protected disclosures, and to provide guidance on investigations. In the 2015/16 fiscal year no disclosures relating to improper conduct were made to the Town.



COMPLIANCE AUDIT RETURN

All local governments are required to carry out an annual compliance audit for the period 1 January to 31 December as required by the Department of Local Government and Communities. The Return includes a range of compliance categories to be met by local government. The 2015 Compliance Audit Return was presented to Council on 9 February 2016. In all areas the Town was 100% compliant in the 2015 Audit. A certified copy of the Return was submitted to the Director General of the Department of Local Government and Communities on 16 February 2016.

In addition to its statutory obligation the Town conducts its own quarterly in-house Compliance Audits to ensure that it complies with its regulatory requirements pursuant to the *Local Government Act 1995* (the LG Act). The LG Act prescribes that only an Annual Compliance Audit is undertaken.



REGISTER OF FINANCIAL INTERESTS FOR COUNCIL MEMBERS AND SENIOR EMPLOYEES

There was compliance with the requirements of the *Local Government Act 1995* (the LG Act) in reporting the financial interests of Council Members and Senior Employees. This register was implemented on 1 July 1997 in accordance with the requirements of the LG Act. It is held in the Chief Executive's office and is available for viewing by the public.

A circular distributed by the Department of Local Government and Communities on 3 March 2016 advised of the Royal Assent of the *City of Perth Act 2016* and detailed consequential amendments to the *Local Government Act 1995*, the *Local Government (Administration) Regulations 1996* and the *Local Government (Rules of Conduct) Regulations 2007* accommodating a number of the new requirements.

Under the new requirements the Town of Victoria Park's Elected Members and designated employees are, within 10 days of having received a gift and/or contributions to travel worth more than \$200, required to disclose the gift to the Chief Executive Officer. This includes multiple gifts or contributions from the same donor where the total value is more than \$200.

As an open and accountable local government, all of the Town of Victoria Park disclosures are registered and recorded on its website.

STATUTORY REPORTS

GOVERNANCE FRAMEWORK

The Town has in place a corporate governance framework endorsed by the Council to ensure the services and facilities provided are by proper and democratic government to the broad range of people who have a stakeholder interest in the region, including residents, commercial and retail business, those people who work within the district, and local, national and international visitors.

Governance is an important concept and impacts on all sectors of the community. The practice of good governance is increasingly seen as critical for ensuring that:

- The organisation meets legal and ethical compliance.
- Decisions are made in the interests of all stakeholders.
- The organisation behaves as a good corporate citizen.

RISK MANAGEMENT

It is the Town's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk Management), in the management of all risks that may affect the Town, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management forms part of the Strategic, Operational, Project and Line Management responsibilities and where possible, is incorporated within the Town's Integrated Planning Framework.

The Council will determine the Risk Management Policy, and the Town's Strategic Management Team will communicate the Policy, Objectives and Procedures as well as direct and monitor implementation, practice and performance.



Every employee within the Town is recognised as having a role in risk management from the identification of risks to implementing risk treatments and is invited and encouraged to participate in the process.

The Town's Risk Management Framework is required to be reviewed for appropriateness and effectiveness at least every two years. The next review is due to be presented to the Finance and Audit Committee in November 2016.

EMPLOYEE REMUNERATION

Set out to the right in bands of \$10,000 are the number of employees at the Town entitled to an annual salary of \$100,000 or more as at 30 June of each year.

Salary Band \$	2016	2015	2014
100,000 - 109,999	0	0	1
110,000 - 119,999	0	1	3
120,000 - 129,999	8	8	6
130,000 - 139,999	0	0	0
140,000 - 149,999	0	0	0
150,000 - 159,999	0	0	1
160,000 - 169,999	1	2	0
170,000 - 179,999	4	1	4
180,000 - 189,999	0	1	0
190,000 - 199,999	0	1	0
200,000 - 209,999	0	0	0
210,000 - 219,999	0	0	0
220,000 - 229,999	0	0	0
230,000 - 239,999	0	0	0
240,000 - 249,999	0	1	1
250,000 - 259,999	1	0	0
TOTAL	14	15	16



STATUTORY REPORTS

DISABILITY ACCESS AND INCLUSION PLAN (DAIP)

The Disability Service Act 1993 (amended 2004) mandates that all Local Government Authorities develop and implement a Disability Access and Inclusion Plan (DAIP). The Town's DAIP 2012 – 2017 contains seven Outcome Areas which outline tasks and actions that guide Council staff, agents and contractors in delivering work practices to the public that are consistent with relevant Australian Standards for access and mobility, and which are inclusive of people with disabilities within the life of our community.

The Minister for Disability Services is required to table a report in Parliament each year on the progress of DAIPs in Western Australia. The Town submitted its progress report for 2015-16 to showcase achievements across the seven Outcome Areas.

My Life, My Place

Aligned to the United Nations sanctioned day of International Day of People with a Disability, the Town was proud to deliver the free community engagement initiative, *My Life, My Place* 2015, at McDonalds Community Cinema on 2 December 2015.

On the night, a festival-like atmosphere was created with live music, food trucks and entertainment for the whole family to enjoy, followed by the screening of video documentaries which feature the

stories of eight ordinary local residents and community members of all abilities, who contribute to the rich fabric and strength of our local community.

The aim of *My Life, My Place* was to help break down social and attitudinal barriers to inclusion as experienced by people with a disability and their families and carers. The point of difference of *My Life, My Place* to other social inclusion projects is the approach of showcasing the achievements and contributions of the 'person', opposed to celebrating achievements because someone has a disability. This is evidenced through local residents with and without disabilities featuring in *My Life, My Place*, without distinction being made to ability. This is intended to illustrate equality, and for all participants to be seen as valued and contributing members of the community, dispelling preconceived notions that people with a disability are unable to contribute to the community.



RECORDS

The Town of Victoria Park is committed to ensuring that its records are kept safe and accessible in accordance with legislative requirements and best-practice standards.

We are required under the *State Records Act 2000* to have an approved Record Keeping Plan which sets out matters about records creation and retention. This plan was initially approved by the State Records Commission in 2004 and subsequently reviewed in 2009. In June 2016 the Town submitted to the State Records Commission an amended Record Keeping Plan, and we are currently awaiting approval.

The Town's Information Management Platform (TRIM) allows for the centralised secure storage of records created and received by the Town in the course of its business. Correspondence is scanned to allow for optical character recognition which is the process of digitising printed text so that it can be electronically edited. This has improved our system's search capabilities.

The TRIM system is integrated with other business systems ensuring records produced by these systems are saved to TRIM. Record Services, in conjunction with the business units, have developed automated processes to improve service delivery thereby embedding record keeping within the business processes.

The Town continues to provide the following records management training to staff:

- Record-keeping inductions - focusing on the Town's record keeping processes.
- Record-keeping system training - focuses on the management of records through TRIM.
- Record awareness training – focusing on the Town's obligations under the *State Records Act 2000*.

Record Services offer one-on-one training for staff, group training sessions and publish record-keeping tips.

FREEDOM OF INFORMATION

The Town of Victoria Park received 18 new valid Freedom of Information applications for the period 2015/2016 and dealt with 11 applications in total and seven applications were held over the 2016/2017 reporting year. The average processing time was 29 days which is within the regulated timeframe. The Town's Information Statement outlines the Freedom of Information process and lists the types of documents available inside and outside of Freedom of Information.

FINANCIAL ASSISTANCE 2015/16

SPONSORSHIP

The following organisations entered into a commercial agreement to provide the Town with benefits such as brand recognition, free tickets or discounts for community members etc, in return for cash or waived fees:

- Victoria Park Swimming Club - \$10,964.50
- Southern Districts Bands Incorporated - \$13,000
- Welcome to Australia - 2015 Walk Together – Family Fun Day – \$4,500 cash contribution, plus \$1,590 in-kind sponsorship in the way of fee waivers
- McDonald's Community Cinemas - \$15,000
- Eventing in the Park - \$14,645 (in-kind sponsorship in the way of fee waivers)
- Perth Garden Festival - \$20,470 (in-kind sponsorship in the way of fee waivers)
- Million Paws Walk - \$3,350 (in-kind sponsorship in the way of fee waivers)



FEE WAIVERS

Hire fees were waived for the following groups:

- Victoria Park Farmers Market - \$4,500
- National Kapa Haka Festival - \$1,310
- Curtin University Junior Soccer Club - \$41,890
- Victoria Park Raiders Junior Football Club - \$46,610
- South Perth Junior Cricket Club - \$35,100
- Vic Park Soccer Club: Better Game Boot Camp Fee Waiver -\$132
- Emerald Football Club Fundraising Event - \$75
- Victoria Park Soccer Club Pre Season Training - \$2,640



DONATIONS

The following groups received financial assistance in the form of a direct cash donation:

- Workplace Giving Program – 2015/16 Recipient Youth Focus - \$5,615
- Carson Street School for their School Holiday Program - \$3,000
- Donations administered in accordance with Council Policy FIN7 – Donations Financial Assistance:
 - o Community Groups - \$3,900
 - o Individuals - \$4,400
 - o Schools - \$2,130

OPERATING SUBSIDIES

The following organisations or community groups were provided with a payment to directly fund their operations:

- Victoria Park Centre for the Arts - \$63,907.02 contribution to Director's salary and associated costs; \$11,000 annual operating subsidy
- Higgins Park Tennis Club \$6,600
- Victoria Park Croquet Club \$13,201.51
- Harold Hawthorne Centre \$127,831.00



FINANCIAL ASSISTANCE 2015/16

LEASE REDUCTION/PEPPERCORN LEASES

The following organisations have received a lease reduction on their lease, or a peppercorn lease, for exclusive use of a facility.

PROPERTY ADDRESS	PREMISES	TYPE OF CONTRACT	OTHER PARTIES	RENT	RENTAL (ANNUAL) VALUATION DETERMINED BY LICENSED VALUER EXCLUDING GST
10 Kent Street EAST VICTORIA PARK	House and Land	Lease	Communicare (Inc)	\$1	\$27,500
248 Gloucester Street EAST VICTORIA PARK	Family Centre - Building and Courtyard	Lease	Minister For Community Welfare	\$1	\$57,575
1-5 Sussex Street EAST VICTORIA PARK	Billabong Childcare Centre	Lease	Minister For Community Welfare	\$1	\$82,250
Lot 61 Lathlain Place LATHLAIN	Scout Hall and Grounds	Lease	The Scout Association of Australia (Western Australian Branch)	\$1	\$16,200
Lot 60 Lathlain Place LATHLAIN	Vacant Land Currently Being Redeveloped	No Agreement	No Current User	\$0	
29 Sussex Street EAST VICTORIA PARK	Community Law Centre Building	Lease	Sussex Street Community Law Service (Inc)	\$1	Not Determined
874 Albany Highway EAST VICTORIA PARK	House and Land	Lease	Enkel Inc	\$1	\$21,000
12 Kent Street EAST VICTORIA PARK	House, Art Workshop and Land	Lease	Victoria Park Centre for the Arts (Inc)	\$1	\$40,000
34 Goddard Street LATHLAIN	Lathlain Oval	Lease	Perth Football Club Inc	\$1	Not Determined
31 Rushton Street VICTORIA PARK	Croquet Club Building and Courts	Lease	Victoria Park Croquet Club (Inc)	\$1	Not Determined
1 Fred Bell Parade EAST VICTORIA PARK	Hall and Grounds	Lease	The Returned & Services League of Australia WA Branch Inc	\$1	Not Determined
2 Planet Street CARISLE	Carlisle/Lathlain Former Kindergarten Building and Land	Licence Agreement	Lathlain Carlisle Playgroup Inc	\$1	Not Determined
21 Lichfield Street VICTORIA PARK	House and Land	Licence Agreement	Carlisle Victoria Park Toy Library Inc	\$1	Not Determined
6 Temple Street VICTORIA PARK	Dental Clinic	Lease	Dental Health Service of WA	\$0	\$84,000
4 Temple Street VICTORIA PARK	Infant Health Clinic	No Formal Agreement	Health Department of WA	\$0	\$32,500

PROPERTY ADDRESS	PREMISES	TYPE OF CONTRACT	OTHER PARTIES	RENT	RENTAL (ANNUAL) VALUATION DETERMINED BY LICENSED VALUER EXCLUDING GST
71 Tuckett Street CARLISLE	Infant Health Clinic	No Formal Agreement	Health Department of WA	\$0	Not Determined
Lot 256 Garland Street VICTORIA PARK	Shed - Wildlife Rescue Centre	No Formal Agreement	Malubilai Wildlife Carers Group	\$0	Not Determined
500 Albany Highway VICTORIA PARK (READ PARK)	Community Garden	Lease	Victoria Park Community Garden Association (Inc)	\$1	Not Determined
4 Westminster Street (Rear of Balmoral Hotel) EAST VICTORIA PARK	Drainage Sump used for Car Parking	Lease	Trust Company Fiduciary Services (ABN 21 000 000 993)	\$1	\$1
Lot 3 Memorial Avenue & Lot 404 Rutland Avenue CARLISLE	Harold Hawthorne Senior Citizens Centre, Carlisle Memorial Hall & Frail Aged Day Care Centre	Lease	Harold Hawthorne Senior Citizen Centre Inc	\$1	Not Determined
Lot 2 Memorial Avenue CARLISLE	Harold Hawthorne Senior Citizens Aged Persons Units	Lease	Harold Hawthorne Senior Citizen Centre and Homes Inc	\$1	Not Determined
999 Albany Highway EAST VICTORIA PARK	Hillview Clinic	Lease	Disability Services Commission	\$1	Not Determined
Anketell & Rathay Streets KENSINGTON	KPCYC Buildings and Land	Sub-Lease	The Federation of Western Australian Police & Citizens Youth Centres (Inc)	\$1	Not Determined
Playfield Street EAST VICTORIA PARK	Tennis Courts and Hall	Lease	Higgins Park Tennis Club Inc	\$2,060	Not Determined
Weston Street CARLISLE	Fletcher Park Building	Seasonal Lease Agreement	Perth Cricket Club (Inc)	\$2,734	Not Determined
6 Kent Street EAST VICTORIA PARK	House and Land	Lease	Know Your Nation	\$0	\$25,000
18 Kent Street EAST VICTORIA PARK	Bowling Club Building and Greens	Lease	Victoria Park Carlisle Bowling Club (Inc)	\$6,000	\$60,000
Weston Street CARLISLE	Fletcher Park Building	Seasonal Lease Agreement	Victoria Park Xavier Hockey Club (Inc)	\$2,614	Not Determined



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TOWN OF
VICTORIA PARK

FINANCIAL REPORT

2015/2016

Financial Report

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by the Chief Executive Officer

The attached Financial Report of the Town of Victoria Park, being the Annual Financial Report and Supporting Notes and other information for the financial year ended 30 June 2016, are, in my opinion, properly drawn up to present fairly the financial position of the Town of Victoria Park at 30 June 2016 and the results of the operation for the financial year then ended in accordance with *Australian Accounting Standards* and comply with the provisions of the *Local Government Act 1995* and Regulations formed under that Act.

Signed as authorisation for issue on the 11th day of November 2016.



Anthony Vuleta
Chief Executive Officer

Statement of Comprehensive Income - By Nature and Type

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Revenue				
Rates	24	39,231,261	38,864,800	35,832,000
Grants and Contributions - Operating	30	1,085,028	810,800	2,501,727
Fees and Charges	29	9,746,281	11,182,500	10,332,788
Service Charges		0	0	611
Interest Earnings	2	1,278,985	938,700	1,219,970
Other Revenue		1,856,635	1,447,900	3,651,656
		53,198,189	53,244,700	53,538,752
Expenses				
Employee Costs		(19,809,953)	(20,841,700)	(19,618,491)
Materials and Contracts		(16,442,960)	(20,108,000)	(16,678,124)
Utility Charges		(1,413,016)	(1,458,000)	(1,381,886)
Depreciation	2	(9,314,449)	(9,828,900)	(8,188,602)
Interest Expense	2	(685,349)	(644,300)	(719,426)
Insurance		(521,372)	(484,200)	(443,481)
Other Expense		(59,840)	(90,700)	(86,317)
		(48,246,938)	(53,455,800)	(47,116,327)
		4,951,251	(211,100)	6,422,425
Grants and Contributions for Assets				
Grants and Contributions - Non-Operating	30	1,472,990	1,903,000	1,239,333
		1,472,990	1,903,000	1,239,333
Profit and Loss from Asset Disposal				
Profit on Asset Disposal		1,132,477	0	3,715,866
Loss on Asset Disposal		(102,751)	(18,200)	(206,551)
	21	1,029,726	(18,200)	3,509,316
Fair Value Adjustments				
Reversal of prior year loss on revaluation		1,703,310	0	0
Loss on Revaluation		(328,181)	0	0
		1,375,129	0	0
Changes in Equity				
Joint Ventures and Other Financial Assets	18	(968,252)	0	(284,522)
		(968,252)	0	(284,522)
Net Result				
		7,860,843	1,673,700	10,886,552
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Non-Current Assets Revaluation Changes	14	465,069,955	0	0
Total Other Comprehensive Income		465,069,955	0	0
Total Comprehensive Income				
		472,930,798	1,673,700	10,886,552

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

Statement of Comprehensive Income - By Program

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Revenue	2			
General Purpose Funding		41,262,547	40,351,300	39,319,104
Governance		1,563	0	776
Law, Order and Public Safety		2,572,664	3,227,900	3,024,604
Health		268,914	245,200	232,395
Education and Welfare		279,211	161,200	168,975
Community Amenities		1,525,541	1,425,600	1,490,836
Recreation and Culture		4,814,019	5,375,600	4,980,720
Transport		328,667	215,000	245,549
Economic Services		408,808	768,900	973,345
Other Property and Services		1,736,254	1,474,000	3,102,445
		53,198,188	53,244,700	53,538,752
Expenses excluding Finance Costs	2			
General Purpose Funding		(573,918)	(566,600)	(528,106)
Governance		(482,455)	(542,600)	(458,674)
Law, Order and Public Safety		(3,662,414)	(4,818,000)	(3,720,221)
Health		(1,565,854)	(1,404,200)	(1,504,184)
Education and Welfare		(1,067,009)	(1,068,300)	(872,241)
Community Amenities		(8,393,055)	(9,470,700)	(6,714,943)
Recreation and Culture		(17,435,771)	(19,691,200)	(16,518,677)
Transport		(10,536,588)	(12,241,000)	(9,826,783)
Economic Services		(1,195,772)	(1,598,000)	(1,322,388)
Other Property and Services		(2,648,754)	(1,410,900)	(4,930,682)
		(47,561,589)	(52,811,500)	(46,396,901)
Finance Costs	2			
Law, Order and Public Safety		(200,404)	(149,100)	(161,374)
Recreation and Culture		(252,501)	(257,200)	(289,227)
Economic Services		(60,144)	(62,600)	(75,302)
Other Property and Services		(172,299)	(175,400)	(193,523)
		(685,349)	(644,300)	(719,426)
Grants and Contributions for Assets	30			
Recreation and Culture		5,900	0	137,000
Transport		1,431,971	1,903,000	1,003,242
Other Property and Services		35,118	0	99,091
		1,472,990	1,903,000	1,239,333

Statement of Comprehensive Income - By Program (continued)

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Profit and Loss from Asset Disposal	21			
General Purpose Funding		1,112,055	0	3,715,548
Governance		(3,802)	(200)	(5,415)
Law, Order and Public Safety		(3,918)	(300)	(8,612)
Health		(5,303)	(200)	(8,172)
Education and Welfare		0	(400)	(2,560)
Community Amenities		(13,991)	0	(18,425)
Recreation and Culture		(4,497)	(7,700)	(91,330)
Transport		0	(7,800)	0
Economic Services		(10,943)	(200)	(17,044)
Other Property and Services		(39,876)	(1,400)	(54,673)
		1,029,726	(18,200)	3,509,316
Changes in Joint Venture Operations and Other Financial Assets				
Economic Services	18	(968,252)	0	(284,522)
		(968,252)	0	(284,522)
Fair Value Adjustments				
Reversal of prior year loss on revaluation		1,703,310	0	0
Loss on Revaluation		(328,181)	0	0
		1,375,129	0	0
Net Result		7,860,843	1,673,700	10,886,551
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Non-Current Assets Revaluation Changes	14	465,069,955	0	0
Total Other Comprehensive Income		465,069,955	0	0
Total Comprehensive Income		472,930,798	1,673,700	10,886,552

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

Statement of Financial Position

	Note	2016 Actual \$	2015 Actual \$
Current Assets			
Cash and Cash Equivalents	3	30,438,858	24,392,554
Trade and Other Receivables	5	2,949,908	2,557,041
Inventories	6	8,581	5,489
Assets Held for Sale	18	509,104	721,192
		33,906,451	27,676,276
Non-Current Assets			
Trade and Other Receivables	5	833,243	1,143,083
Property, Plant and Equipment	7	671,693,655	201,906,739
Infrastructure	8	225,929,316	230,766,768
Assets Held for Sale	18	107,015	111,012
Other Financial Assets	18	9,554,149	9,194,262
		908,117,378	443,121,865
Total Assets		942,023,829	470,798,141
Current Liabilities			
Trade and Other Payables	10	2,600,258	2,429,888
Current Portion of Long Term Borrowings	11	2,132,749	2,029,908
Provisions	12	3,824,319	3,642,962
		8,557,325	8,102,757
Non-Current Liabilities			
Long Term Borrowings	11	8,836,898	10,969,646
Provisions	12	290,772	317,701
		9,127,669	11,287,347
Total Liabilities		17,684,995	19,390,105
Net Assets		924,338,834	451,408,036
Equity			
Retained Surplus		103,092,298	103,220,322
Reserves - Cash Backed	13	20,567,367	12,578,500
Revaluation Surplus	14	800,679,169	335,609,214
		924,338,834	451,408,036

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

Statement of Changes in Equity

	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Prior Year Balance				
Balance as at 1 July 2014	97,874,653	7,037,619	335,609,214	440,521,486
Net Result	10,886,552	0	0	10,886,552
Other Comprehensive Income				
Revaluation Changes - Non-Current Assets	0	0	0	0
Transfer From / (To) Reserves	(5,540,881)	5,540,881	0	0
Balance as at 30 June 2015	103,220,324	12,578,500	335,609,214	451,408,038
Current Year Balance				
Balance as at 1 July 2015	103,220,324	12,578,500	335,609,214	451,408,038
Net Result	7,860,843	0	0	7,860,843
Other Comprehensive Income				
Revaluation Changes - Non-Current Assets	0	0	465,069,955	465,069,955
Transfer From / (To) Reserves	(7,988,867)	7,988,867	0	0
Balance as at 30 June 2016	103,092,299	20,567,367	800,679,169	924,338,836

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

Statement of Cash Flows

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		39,231,261	38,900,000	35,832,000
Grants and Contributions - Operating		1,085,028	810,800	2,501,727
Fees and Charges		9,746,281	11,080,000	10,081,237
Service Charges		306,537	0	384,519
Interest Earnings		1,278,985	938,700	1,219,970
Goods and Services Tax		0	2,600,000	0
Other Revenue		1,467,071	1,447,900	3,651,656
		53,115,161	55,777,400	53,671,109
Payments				
Employee Costs		(19,655,525)	(20,750,000)	(19,082,707)
Materials and Contracts		(16,275,681)	(20,315,400)	(17,011,679)
Utility Charges		(1,413,016)	(1,458,000)	(1,381,886)
Interest Expense		(685,349)	(644,300)	(719,426)
Insurance		(521,372)	(484,200)	(443,481)
Goods and Services Tax		0	(2,600,000)	0
Other Expense		(1,028,092)	(90,700)	(370,839)
		(39,579,034)	(46,342,600)	(39,010,018)
Net Cash Provided by Operating Activities	15	13,536,127	9,434,800	14,661,091
Cash Flows from Investing Activities				
Equity Movements in Joint Ventures		752,168	0	1,110,983
Land Held for Sale and Development Movement		216,085	0	(832,204)
Property, Plant and Equipment Payments		(3,327,197)	(6,397,000)	(1,692,433)
Infrastructure Payments		(5,001,167)	(9,199,300)	(6,589,741)
Grants and Contributions - Non-Operating		1,472,990	1,903,000	1,239,333
Sale of Assets Proceeds		427,206	538,000	415,040
Net Cash Provided by / (Used in) Investing Activities		(5,459,915)	(13,155,300)	(6,349,022)
Cash Flows from Financing Activities				
Debenture Repayments		(2,029,908)	(2,039,600)	(1,932,237)
New Debenture Proceeds		0	0	0
Reduction in Loan Liability		0	0	0
Net Cash Provided by / (Used in) Financing Activities		(2,029,908)	(2,039,600)	(1,932,237)
Net Increase / (Decrease) in Cash Held		6,046,304	(5,760,100)	6,379,832
Cash and Cash Equivalents at Beginning of Year		24,392,554	21,548,500	18,012,722
Cash and Cash Equivalents at End of Year	15	30,438,858	15,788,400	24,392,554

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

Town of Victoria Park
For the year ended 30 June 2016

Rate Setting Statement

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Revenue				
General Purpose Funding		3,143,341	1,486,500	7,202,652
Governance		1,563	0	776
Law, Order and Public Safety		2,572,664	3,227,900	3,024,604
Health		268,914	245,200	232,395
Education and Welfare		279,211	161,200	168,975
Community Amenities		1,525,541	1,425,600	1,490,836
Recreation and Culture		6,268,683	5,375,600	5,117,793
Transport		1,760,639	2,118,000	1,248,791
Economic Services		408,808	768,900	973,345
Other Property and Services		2,046,340	1,474,000	3,201,782
		18,275,704	16,282,900	22,661,951
Expenses				
General Purpose Funding		(573,918)	(566,600)	(528,106)
Governance		(486,257)	(542,800)	(464,090)
Law, Order and Public Safety		(4,194,918)	(4,967,400)	(3,890,206)
Health		(1,571,157)	(1,404,400)	(1,512,357)
Education and Welfare		(1,067,009)	(1,068,700)	(874,802)
Community Amenities		(8,407,046)	(9,470,700)	(6,733,368)
Recreation and Culture		(17,692,769)	(19,956,100)	(16,899,308)
Transport		(10,536,588)	(12,248,800)	(9,826,783)
Economic Services		(2,235,111)	(1,660,800)	(1,699,256)
Other Property and Services		(2,881,350)	(1,587,700)	(5,179,124)
		(49,646,122)	(53,474,000)	(47,607,400)
Net Result Excluding Rates		(31,370,418)	(37,191,100)	(24,945,448)
Adjustment for Cash Budget Requirements				
Non-Cash Items				
(Profit) / Loss on Asset Disposals	21	(1,029,726)	18,200	(3,509,316)
Reversal of prior year loss on revaluation		(1,703,310)	0	0
Loss on Revaluation		328,181	0	0
Depreciation on Assets	2	9,314,449	9,828,900	8,188,602
Movement In Joint Venture Equity	18	968,252	0	284,522
Adjustment - Land Held for Sale	6	(212,088)	0	715,449
Movement in Non-Current Under Ground Power / Rates		309,840	0	383,908
Movement in Non-Current Leave Provision		(26,929)	0	41,058
		7,948,670	9,847,100	6,104,223

Town of Victoria Park
For the year ended 30 June 2016

Rate Setting Statement (continued)

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Adjustment for Cash Budget Requirements				
Capital Expense and Revenue				
Purchase Buildings	7	(2,207,375)	(3,959,000)	(685,307)
Purchase Furniture and Equipment	7	(371,363)	(1,211,000)	(472,096)
Purchase Plant and Machinery	7	(579,889)	(699,000)	(535,030)
Purchase Information Technology	7	(168,570)	(528,000)	0
Construction of Infrastructure - Roads	8	(2,629,483)	(4,367,300)	(1,964,077)
Construction of Infrastructure - Drainage	8	(161,770)	(446,000)	(370,996)
Construction of Infrastructure - Pathways	8	(476,731)	(817,000)	(541,591)
Construction of Infrastructure - Parks / Reserves	8	(580,148)	(1,592,000)	(2,145,331)
Construction of Infrastructure - Other	8	(1,153,034)	(1,977,000)	(1,567,746)
Proceeds from Disposal of Assets	21	427,206	538,000	415,040
Debenture Repayments	23	(2,029,908)	(2,039,600)	(1,932,237)
Transfers to Reserves	13	(7,988,867)	(2,956,200)	(7,316,016)
Transfers from Reserves	13	0	596,300	1,775,135
		(17,919,933)	(19,457,800)	(15,340,252)
Add Surplus / (Deficit) July 1 B/Fwd	24	9,024,927	7,937,000	7,374,404
Less Surplus / (Deficit) June 30 C/Fwd	24	6,914,508	0	9,024,927
Amount Required to be Raised from Rates	24	(39,231,262)	(38,864,800)	(35,832,000)

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

1 Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The local government reporting entity

All Funds through which the Town controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

1 Significant Accounting Policies (continued)

Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations 1996* were amended and the measurement of non-current assets at Fair Value became mandatory. During the year ended 30 June 2013, the Town commenced the process of adopting Fair Value in accordance with the Regulations. Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements. Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Town revalues its asset classes in accordance with this mandatory timetable. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the Town was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance. Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above. In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government. Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Town.

Capitalisation threshold

Expenditure on items of equipment under \$2,000 is not individually capitalised. Rather, it is recorded on an asset inventory listing.

1 Significant Accounting Policies (continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

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

Major depreciation periods used are -

Buildings	30 to 50 years
Furniture and Equipment	3 to 12 years
Plant and Machinery	3 to 15 years
Roads	4 to 10 years
Formation	not depreciated
Pavement	40 to 160 years
Surface	15 to 30 years
Footpaths	16 to 70 years
Drainage	100 years
Parks	20 to 80 years
Other Assets	20 to 80 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Fair Value of Assets and Liabilities

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

Fair Value is the price that the Town would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

1 Significant Accounting Policies (continued)

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Town selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Town are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or Liabilities.

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Town gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Town becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Town commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

1 Significant Accounting Policies (continued)

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

1 Significant Accounting Policies (continued)

Impairment

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

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

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

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

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

In accordance with Australian Accounting Standards the Town's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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 and salaries 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, long service leave and sick leave entitlements are recognised as provisions in the statement of financial position.

1 Significant Accounting Policies (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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.

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.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Town, are classified as finance leases. Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

Investment in Associates

An associate is an entity over which the Town has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, 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. The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Town's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired. Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent of the Town's interest in the associate. When the Town's share of losses in an associate equals or exceeds its interest in the associate, the Town discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Town will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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. Refer to note above "Investment in Associates" for a description of the equity method of accounting. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 18.

1 Significant Accounting Policies (continued)

Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

Superannuation

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

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Town's intentions to release for sale.

Rounding Off Figures

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

Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When the Town applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

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.

Australian Accounting Standards

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Town. Management's assessment of the new and amended pronouncements that are relevant to the Town, applicable to future reporting periods and which have not yet been adopted are set out as follows:

AASB 9 - Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)

- Issued: December 2014
- Applicable: 1 January 2018
- Impact: Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Town, it is not anticipated the Standard will have any material effect.

AASB 15 Revenue from Contracts with Customers

- Issued: December 2014
- Applicable: 1 January 2019
- Impact: This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The effect of this Standard will depend upon the nature of future transactions the Town has with those third parties it has dealings with. It may or may not be significant.

1 Significant Accounting Policies (continued)

AASB 16 - Leases

- Issued: February 2016
- Applicable: 1 January 2019
- Impact: Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Town, the impact is not expected to be significant.

AASB 2014-3 - Accounting Standards - Accounting for AASB 2014-3 Amendments to Australian Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

- Issued: August 2014
- Applicable: 1 January 2016
- Impact: This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Town's financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and 138]

- Issued: August 2014
- Applicable: 1 January 2016
- Impact: This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Given the Town currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

- Issued: December 2014
- Applicable: 1 January 2019
- Impact: Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

1 Significant Accounting Policies (continued)

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 and 1049]

- Issued: January 2015
- Applicable: 1 January 2016
- Impact: This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.

It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.

AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]

- Issued: March 2015
- Applicable: 1 July 2016
- Impact: The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.

The Standard is expected to have a significant disclosure impact on the financial report of the Town as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

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

These new and revised standards were as follows:

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

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

2 Revenues and Expenses

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net Result			
The Net Result includes -			
Charging as an Expense			
Auditor's Remuneration			
Audit - Financial Statements	11,322	40,800	22,280
Audit - Projects	990	0	5,315
	12,312	40,800	27,595
Bad and Doubtful Debts			
Write Off - Building	55	500	31
Write Off - Finance	4,286	9,100	1,453
Write Off - Parking Management	45,428	30,000	65,167
Write Off - Regulatory Services	4,383	7,200	6,670
Write Off - Street Operations	5,055	11,800	11,615
	59,207	58,600	84,936
Depreciation			
Buildings	2,506,621	2,179,400	2,438,118
Furniture and Equipment	360,322	632,000	626,202
Plant and Machinery	614,738	990,600	583,652
Information Technology	0	0	0
Roads	2,162,220	3,711,500	2,150,196
Drainage	451,944	444,700	450,595
Pathways	1,119,996	854,900	1,114,189
Parks / Reserves	968,318	710,000	581,453
Other Infrastructure	1,130,288	305,800	244,197
	9,314,449	9,828,900	8,188,602
Interest Expense			
Debentures	685,349	644,300	719,426
	685,349	644,300	719,426
Crediting as Revenue			
Interest Earnings			
Investments - Reserve Funds	224,786	383,800	160,841
Investments - Other Funds	660,348	174,400	638,619
Other Interest Revenue	393,850	380,500	420,510
	1,278,985	938,700	1,219,970

2 Revenues and Expenses (continued)

	2016 Actual \$	2015 Actual \$
Conditions over Grants and Contributions		
Contributions recognised as revenues in a previous reporting period that were not expended at the close of that period (in the manner required as per the terms of the contribution)	Nil	Nil
Grants recognised as revenues in a previous reporting period that were expended in the current reporting period (in the manner required as per the terms of the contribution)	Nil	Nil

3 Cash and Cash Equivalents

	2016 Actual \$	2015 Actual \$
Unrestricted	9,625,491	10,669,054
Restricted	20,813,367	13,723,500
	30,438,858	24,392,554

The following funds have restrictions on them imposed by regulations or other externally imposed requirements -

Reserves

Buildings Renewal	223,266	160,400
Community Art	563,843	455,700
Drainage Renewal	146,620	85,100
Edward Millen Reserve	1,294,878	1,173,900
Furniture and Equipment Renewal	354,207	151,500
Future Fund	10,188,393	5,981,500
Future Projects	1,648,978	1,069,900
Harold Hawthorne - Carlisle Memorial	75,930	35,300
Information Technology Renewal	180,000	0
Insurance Risk Reserve	431,254	350,000
Other Infrastructure Renewal	527,443	444,500
Parks Renewal	218,825	141,300
Pathways Renewal	126,097	50,200
Plant and Machinery	203,442	131,100
Renewable Energy	168,480	116,400
Roads Renewal	653,337	494,500
Underground Power	2,696,099	1,033,500
Waste Management	866,275	703,700
	20,567,367	12,578,500
Restricted Funds		
Unspent Loans	246,000	1,145,000
	246,000	1,145,000
Total Reserves and Restricted Cash and Cash Equivalents	20,813,367	13,723,500

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

4 Investments

No financial assets were held in the form of investments at 30 June for each of the reporting periods.

5 Trade and Other Receivables

	2016	2015
	Actual	Actual
	\$	\$
Current		
Accrued Revenue	0	11,681
Current Rates Debtors	639,391	571,946
Current ESL Debtors	45,769	32,127
Infringements	1,449,774	1,070,368
Sundry Debtors	437,929	427,149
Prepayments	349,712	430,669
Current Underground Power	13,829	2,746
Unclaimed Pensioner Rates Rebate	1,039	741
Unclaimed ESL Rates Rebate	12,466	9,612
	2,949,908	2,557,041
Non-Current		
Non-Current Rates Debtors	184,888	189,235
Non-Current ESL Debtors	24,637	22,582
Non-Current Underground Power	623,718	931,266
	833,243	1,143,083

6 Inventories

	2016	2015
	Actual	Actual
	\$	\$
Current		
Leisurelife	5,994	2,902
Aqualife	2,587	2,587
	8,581	5,489

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

7 Property, Plant and Equipment

	2016	2015
	Actual	Actual
	\$	\$
Land		
Independent Valuation 2016	604,030,000	0
Independent Valuation 2013	0	137,264,500
Disposal	0	(1,054,000)
	604,030,000	136,210,500
Buildings		
Independent Valuation 2016	60,959,959	0
Independent Valuation 2013	0	64,596,200
Additions / At Cost	0	699,685
Less Accumulated Depreciation	0	(4,808,321)
Work in Progress	2,048,947	834,487
	63,008,906	61,322,051
Plant and Machinery		
Independent Valuation 2016	1,958,213	0
Independent Valuation 2013	0	2,908,500
Additions / At Cost	0	386,041
Less Accumulated Depreciation	0	(1,046,994)
	1,958,213	2,247,547
Furniture and Equipment		
Independent Valuation 2016	1,953,298	0
Independent Valuation 2013	0	1,744,740
Additions / At Cost	0	1,310,201
Less Accumulated Depreciation	0	(1,183,528)
Work in Progress	51,186	255,228
	2,004,485	2,126,641
Information Technology		
Independent Valuation 2016	682,663	0
Additions / At Cost	0	0
Less Accumulated Depreciation	0	0
Work in Progress	9,388	0
	692,051	0
Total Property, Plant and Equipment	671,693,655	201,906,739

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

7 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Particulars	Opening Balance \$	Additions \$	Disposals \$	Depreciation Expense \$	Revaluation Movement \$	Total \$
Land	136,210,500	0	0	0	467,819,500	604,030,000
Buildings	61,322,051	2,207,375	0	(2,506,621)	1,986,101	63,008,906
Plant and Machinery	2,247,547	579,889	(509,031)	(614,738)	254,546	1,958,213
Furniture and Equipment	2,126,641	371,363	(505)	(360,323)	(132,692)	2,004,485
Information Technology	0	168,570	0	0	523,481	692,051
Total	201,906,739	3,327,197	(509,536)	(3,481,682)	470,450,936	671,693,655

Work In Progress Movement

Particulars	Opening Balance \$	Additions \$	Completions \$	Closing Balance \$
Land	0	0	0	0
Buildings	834,487	1,804,574	(590,115)	2,048,947
Plant and Machinery	0	0	0	0
Furniture and Equipment	255,228	51,186	(255,228)	51,186
Information Technology	0	9,388	0	9,388
Total	1,089,715	1,865,148	(845,343)	2,109,521

Change in Valuation methodology

The significant increase in the fair value of land is attributed to the change in valuation methodology based on Accounting Standard AASB 13 *Fair Value Measurement*. The previous valuation, which was conducted in 2013, involved the usage of a discount method to value the Town's land zoned as parks, recreation and public purpose on the basis the land could not readily be sold. The current valuation has used the cost approach (replacement cost) under the accounting standard i.e. based on what it would cost the Town to acquire such land. Accordingly, no discount has been applied to the land values. This change in methodology has resulted in the significant movement in the fair value of Land.

8 Infrastructure

	2016 Actual \$	2015 Actual \$
Roads		
Independent Valuation 2016	154,910,653	0
Independent Valuation 2014	0	143,610,599
Additions / At Cost	0	1,556,772
Less Accumulated Depreciation	0	(2,150,196)
Work in Progress	1,792,419	1,118,093
	156,703,072	144,135,268
Pathways		
Independent Valuation 2016	18,840,285	0
Independent Valuation 2014	0	32,825,687
Additions / At Cost	0	648,210
Less Accumulated Depreciation	0	(1,114,189)
Work in Progress	28,972	158,272
	18,869,257	32,517,980
Drainage		
Independent Valuation 2016	33,666,819	0
Independent Valuation 2014	0	33,893,648
Additions / At Cost	0	242,277
Less Accumulated Depreciation	0	(450,595)
Work in Progress	93,583	144,564
	33,760,402	33,829,894
Parks / Reserves		
Independent Valuation 2016	6,715,036	0
Independent Valuation 2014	0	4,952,150
Additions / At Cost	0	1,716,124
Less Accumulated Depreciation	0	(1,085,780)
Work in Progress	1,676,045	1,747,995
	8,391,081	7,330,488
Other Assets		
Independent Valuation 2016	8,092,649	0
Independent Valuation 2014	0	9,385,978
Additions / At Cost	0	1,162,565
Less Accumulated Depreciation	0	(244,197)
Work in Progress	112,854	2,648,794
	8,205,503	12,953,139
Total Infrastructure	225,929,315	230,766,768

8 Infrastructure (continued)

Movements in Carrying Amounts

Particulars	Opening Balance \$	Additions \$	Disposals \$	Depreciation Expense \$	Revaluation Movement \$	Total \$
Roads	144,135,268	2,629,483	0	(2,162,220)	12,100,541	156,703,072
Pathways	32,517,980	476,731	0	(1,119,996)	(13,005,458)	18,869,257
Drainage	33,829,894	161,770	0	(451,944)	220,683	33,760,402
Parks / Reserve	7,330,488	580,148	0	(968,319)	1,448,764	8,391,081
Other Assets	12,953,139	1,153,034	0	(1,130,288)	(4,770,381)	8,205,503
Total	230,766,769	5,001,167	0	(5,832,768)	(4,005,852)	225,929,317

Work In Progress Movement

Particulars	Opening Balance \$	Additions \$	Completions \$	Closing Balance \$
Roads	1,118,093	1,410,288	(735,962)	1,792,419
Pathways	158,272	0	(129,300)	28,972
Drainage	144,564	91,617	(142,598)	93,583
Parks / Reserve	1,747,995	134,034	(205,984)	1,676,045
Other Assets	2,648,794	57,487	(2,593,427)	112,854
Total	5,817,717	1,693,426	(3,807,270)	3,703,873

Property, Plant and Equipment and Infrastructure Revaluation

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

9 Intangibles

The Town did not hold any recognised intangible assets as at 30 June.

10 Trade and Other Payables

	2016	2015
	Actual	Actual
	\$	\$
Current		
Payroll	178,617	198,745
Revenue Liability	360,099	405,188
ESL Liability	0	0
Trade Creditors	1,221,711	957,410
Payables	448,382	453,987
Accrued Expense	391,450	414,557
	2,600,258	2,429,888

11 Borrowings

	2016	2015
	Actual	Actual
	\$	\$
Current		
Debentures	2,132,749	2,029,908
	2,132,749	2,029,908
Non-Current		
Debentures	8,836,898	10,969,646
	8,836,898	10,969,646
Total	10,969,646	12,999,554

12 Provisions

	2016	2015
	Actual	Actual
	\$	\$
Current		
Annual Leave Provision	1,982,678	1,979,008
Sick Leave Provision	558,551	518,468
Long Service Leave Provision	1,283,089	1,145,485
	3,824,319	3,642,962
Non-Current		
Sick Leave Provision	32,631	39,006
Long Service Leave Provision	258,141	278,695
	290,772	317,701

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

13 Reserves - Cash Backed

2016 Actual \$	2016 Budget \$	2015 Actual \$
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In relation to each Reserve account, the purposes for which funds are set aside, and supported by money held in institutions, are -

Building Renewal

To be used to assist in funding renewal projects associated with Council's building assets.

Opening Balance	160,400	120,400	20,000
Transfer to Reserve - Municipal Funds	60,000	30,000	139,943
Transfer to Reserve - Interest Earnings	2,866	700	457
Transfer from Reserve	0	0	0
	223,266	151,100	160,400

Community Art

To be used to assist in funding the purchase and placement of art for the Council and community.

Opening Balance	455,700	455,700	738,880
Transfer to Reserve - Municipal Funds	99,999	75,000	10,000
Transfer to Reserve - Interest Earnings	8,144	1,400	16,887
Transfer from Reserve	0	(383,000)	(310,067)
	563,843	149,100	455,700

Drainage Renewal

To be used to assist in funding renewal projects associated with Council's drainage infrastructure.

Opening Balance	85,100	45,100	5,000
Transfer to Reserve - Municipal Funds	59,999	30,000	79,986
Transfer to Reserve - Interest Earnings	1,521	300	114
Transfer from Reserve	0	0	0
	146,620	75,400	85,100

Edward Millen Reserve

To be used to assist in improving and / or maintaining the Edward Millen site, including the associated grounds.

Opening Balance	1,173,900	1,123,900	1,050,000
Transfer to Reserve - Municipal Funds	100,000	50,000	99,903
Transfer to Reserve - Interest Earnings	20,978	26,000	23,997
Transfer from Reserve	0	(60,000)	0
	1,294,878	1,139,900	1,173,900

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

13 Reserves - Cash Backed (continued)

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Furniture and Equipment Renewal			
<i>To be used to assist in funding renewal projects associated with Council's furniture and equipment assets.</i>			
Opening Balance	151,500	111,500	70,000
Transfer to Reserve - Municipal Funds	200,000	205,000	79,900
Transfer to Reserve - Interest Earnings	2,707	1,000	1,600
Transfer from Reserve	0	0	0
	354,207	317,500	151,500
Future Fund			
<i>To assist in funding projects and property purchases that diversify the revenue streams of Council.</i>			
Opening Balance	5,981,500	4,481,500	1,644,050
Transfer to Reserve - Municipal Funds	4,100,000	1,700,000	4,299,876
Transfer to Reserve - Interest Earnings	106,893	72,900	37,574
Transfer from Reserve	0	0	0
	10,188,393	6,254,400	5,981,500
Future Projects			
<i>To assist in funding 'new' and 'upgrade' capital projects, with input funding primarily derived from the sale of land assets.</i>			
Opening Balance	1,069,900	1,069,900	1,530,000
Transfer to Reserve - Municipal Funds	559,958	120,500	970,000
Transfer to Reserve - Interest Earnings	19,120	4,600	34,968
Transfer from Reserve	0	0	(1,465,068)
	1,648,978	1,195,000	1,069,900
Harold Hawthorne - Carlisle Memorial			
<i>To assist in the replacement of major appliances / equipment and structural repairs to these Council-responsibility facilities.</i>			
Opening Balance	35,300	25,300	15,000
Transfer to Reserve - Municipal Funds	39,999	10,000	19,957
Transfer to Reserve - Interest Earnings	631	500	343
Transfer from Reserve	0	0	0
	75,930	35,800	35,300
Information Technology Renewal			
<i>To be used to assist in funding renewal projects associated with Council's information technology assets.</i>			
Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	180,000	30,000	0
Transfer to Reserve - Interest Earnings	0	1,000	0
Transfer from Reserve	0	0	0
	180,000	31,000	0

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

13 Reserves - Cash Backed (continued)

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Insurance Risk			
<i>To be used to assist in meeting any expense outlays in the event of significant insurance claims.</i>			
Opening Balance	350,000	250,000	0
Transfer to Reserve - Municipal Funds	74,999	25,000	350,000
Transfer to Reserve - Interest Earnings	6,255	6,200	0
Transfer from Reserve	0	0	0
	431,254	281,200	350,000
Other Infrastructure Renewal			
<i>To be used to assist in funding renewal projects associated with Council's other infrastructure.</i>			
Opening Balance	444,500	404,500	200,000
Transfer to Reserve - Municipal Funds	75,000	56,300	239,929
Transfer to Reserve - Interest Earnings	7,944	10,100	4,571
Transfer from Reserve	0	0	0
	527,443	470,900	444,500
Parks Renewal			
<i>To be used to assist in funding renewal projects associated with Council's parks infrastructure.</i>			
Opening Balance	141,300	101,300	60,000
Transfer to Reserve - Municipal Funds	75,000	50,000	79,929
Transfer to Reserve - Interest Earnings	2,525	1,700	1,371
Transfer from Reserve	0	0	0
	218,825	153,000	141,300
Pathways Renewal			
<i>To be used to assist in funding renewal projects associated with Council's pathways infrastructure.</i>			
Opening Balance	50,200	40,200	10,000
Transfer to Reserve - Municipal Funds	75,000	50,000	39,972
Transfer to Reserve - Interest Earnings	897	500	228
Transfer from Reserve	0	0	0
	126,097	90,700	50,200
Plant and Machinery			
<i>To be used to assist in funding renewal projects associated with Council's plant and machinery assets.</i>			
Opening Balance	131,100	91,100	50,000
Transfer to Reserve - Municipal Funds	69,999	40,000	79,957
Transfer to Reserve - Interest Earnings	2,343	1,500	1,143
Transfer from Reserve	0	0	0
	203,442	132,600	131,100

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

13 Reserves - Cash Backed (continued)

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Renewable Energy			
<i>To be used to assist in investigating and funding renewable energy projects within the District.</i>			
Opening Balance	116,400	116,400	65,000
Transfer to Reserve - Municipal Funds	50,000	50,000	49,915
Transfer to Reserve - Interest Earnings	2,080	2,900	1,485
Transfer from Reserve	0	0	0
	168,480	169,300	116,400
Roads Renewal			
<i>To be used to assist in funding renewal projects associated with Council's roads infrastructure.</i>			
Opening Balance	494,500	454,500	200,000
Transfer to Reserve - Municipal Funds	150,000	60,000	289,929
Transfer to Reserve - Interest Earnings	8,837	5,300	4,571
Transfer from Reserve	0	(153,300)	0
	653,337	366,500	494,500
Underground Power			
<i>To be used to assist in funding initiatives associated with the installation of underground power and associated landscaping.</i>			
Opening Balance	1,033,500	943,500	779,689
Transfer to Reserve - Municipal Funds	1,644,130	150,000	235,992
Transfer to Reserve - Interest Earnings	18,469	23,700	17,819
Transfer from Reserve	0	0	0
	2,696,099	1,117,200	1,033,500
Waste Management			
<i>To be used to assist in the funding of waste management and waste minimisation initiatives.</i>			
Opening Balance	703,700	663,700	600,000
Transfer to Reserve - Municipal Funds	149,999	50,000	89,987
Transfer to Reserve - Interest Earnings	12,576	14,100	13,713
Transfer from Reserve	0	0	0
	866,275	727,800	703,700
Total Reserves			
Opening Balance	12,578,500	10,498,500	7,037,619
Transfer to Reserve - Municipal Funds	7,764,081	2,781,800	7,155,175
Transfer to Reserve - Interest Earnings	224,786	174,400	160,841
Transfer from Reserve	0	(596,300)	(1,775,135)
Closing Balance	20,567,367	12,858,400	12,578,500

14 Revaluation Surplus

	2016 Actual \$	2015 Actual \$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
Land		
Opening Balance	121,123,806	121,123,806
Revaluation Increment	467,819,500	0
Closing Balance	588,943,306	121,123,806
Buildings		
Opening Balance	33,279,682	33,279,682
Revaluation Increment	1,986,101	0
Closing Balance	35,265,783	33,279,682
Information Technology		
Opening Balance	0	0
Revaluation Increment	523,481	0
Closing Balance	523,481	0
Roads		
Opening Balance	122,008,329	122,008,329
Revaluation Increment	12,100,541	0
Closing Balance	134,108,870	122,008,329
Pathways		
Opening Balance	25,743,919	25,743,919
Revaluation Decrement	(13,005,458)	0
Closing Balance	12,738,461	25,743,919
Drainage		
Opening Balance	28,878,585	28,878,585
Revaluation Increment	220,683	0
Closing Balance	29,099,268	28,878,585
Other Assets		
Opening Balance	4,574,892	4,574,892
Revaluation Decrement	(4,574,892)	0
Closing Balance	0	4,574,892
Opening Balance	335,609,214	335,609,214
Revaluation Increment	482,650,305	0
Revaluation Decrement	(17,580,350)	0
Total Asset Revaluation Surplus	800,679,169	335,609,214

15 Notes to the Statement of Cash Flows

	2016	2015
	Actual	Actual
	\$	\$
Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows -		
Cash and Cash Equivalents	30,438,858	24,392,554
Reconciliation of Net Cash Provided by Operating Activities to Net Result		
Net Result	7,860,843	10,886,552
Depreciation	9,314,449	8,188,602
(Profit) / Loss on Sale of Assets	(1,029,726)	206,233
(Increase) / Decrease in Receivables	(83,027)	132,358
(Increase) / Decrease in Other Financial Assets	0	(3,715,548)
(Increase) / Decrease in Inventories	(3,091)	6,677
Increase / (Decrease) in Payables	170,370	(340,231)
Increase / (Decrease) in Employee Provisions	154,428	535,784
Fair Value Adjustments	328,181	0
Reversal of prior year loss on revaluation	(1,703,310)	0
Grants and Contributions for Asset Development	(1,472,990)	(1,239,333)
Net Cash from Operating Activities	13,536,128	14,661,093
Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft Limit	200,000	200,000
Bank Overdraft at Balance Date	0	0
Credit Card Limit	20,000	20,000
Credit Card at Balance Date	(4,385)	(4,244)
Total Amount of Credit Unused	215,615	215,756
Loan Facilities		
Loan Facilities - Current	2,132,749	2,029,908
Loan Facilities - Non-Current	8,836,898	10,969,646
Total Facilities in Use at Balance Date	10,969,646	12,999,554
Unused Loan Facilities at Balance Date	246,000	1,145,000

16 Contingent Liabilities

On 15 August 2006, the Town of Victoria Park agreed to sign a Deed of Guarantee to satisfy the financial security requirements relating to the tender that was under review by the Mindarie Regional Council for the construction of a Resource Recovery Facility at Neerabup. The Town's maximum exposure under the Deed of Guarantee is \$7.33 million. The Deed of Guarantee will only crystallise if -

- a. Mindarie Regional Council is unable to meet payments that creates a default under the Resource Recovery Facility Agreement (RRFA)
- b. There is a *Force Majeure* event.

Force Majeure events will be limited due to insurance and can be narrowed down to the following -

- a. War risks, confiscations, nationalisation
- b. Nuclear attack, radiation, contamination by radio activity from nuclear waste etc.
- c. Sea damage, tidal wave or high water or storm surge
- d. Spontaneous combustion, fermentation or any process involving application of heat

17 Capital and Leasing Commitments

	2016 Actual \$	2015 Actual \$
Capital Lease Commitments	Nil	Nil
Operating Lease Commitments		
Payable -		
No later than one year	263,106	263,106
Later than one year but not later than five years	455,196	718,302
Later than five years	0	0
	718,302	981,408
Capital expenditure commitments		
Carried forward capital works commitments under contract at 30 June	6,381,300	2,326,116

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

18 Other Financial Assets

Interests in Joint Ventures

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). The values as shown below were, at the time of preparation of these financial statements, unaudited.

	2016	2015
	\$	\$
Assets		
Current Assets	2,380,325	2,480,209
Non-Current Assets	5,282,218	5,541,279
Total Assets	7,662,543	8,021,488
Liabilities		
Current Liabilities	888,292	1,130,550
Non-Current Liabilities	1,355,734	1,738,449
Total Liabilities	2,244,026	2,868,999
Net Assets	5,418,517	5,152,489

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. The values as shown below were, at the time of preparation of these financial statements, unaudited.

	2016	2015
	\$	\$
Assets		
Current Assets	3,452,601	3,203,978
Development cost of Land held for sale	509,104	666,832
Non-Current Assets	160,947	164,177
Total Assets	4,122,652	4,034,987
Liabilities		
Current Liabilities	16,217	24,554
Non-Current Liabilities	4,721	2,578
Total Liabilities	20,938	27,132
Net Assets	4,101,714	4,007,855
Total Interests in Joint Ventures	9,520,231	9,160,344

18 Other Financial Assets (continued)

	2016	2015
	\$	\$
Tamala Park Regional Council (continued)		
Land Held for Development and Sale		
Current Assets		
Land held for sale - Development cost	450,747	666,832
Land held for sale - Purchase cost	58,358	54,360
Total Current	509,104	721,192
Non Current		
Land Held for Development - Purchase cost	107,015	111,012
Total Non Current	107,015	111,012
Movement of Land Held for Development and Sale	(216,085)	826,461

Other Financial Assets

WALGA Local Government House Trust

This note discloses the equity the Town of Victoria Park has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House. The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Local Government House Unit Trust, 2 of which are held by the Town of Victoria Park. The Town has capitalised its share in the Local Government House Trust for the first time this year based on the trust's 30 June 2014 audited financial statements.

	2016	2015
	\$	\$
Investment in WALGA Local Government House Trust	33,919	33,919
Movement in Joint Venture and Other Financial Asset Equity Interest	359,887	2,604,565
Adjustment:		
Profit on sale of Tamala Park Land	(1,112,055)	(3,715,548)
Movement in land held for Development and Sale	(216,085)	826,461
Net Movement in Joint Venture and Other Financial Asset Equity Interest	(968,252)	(284,522)

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

19 Trust Funds

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

Details	Balance 1 July \$	Amount Received \$	Amount Paid \$	Balance 30 June \$
Construction Training Fund Levy	21,748	364,199	(366,991)	18,957
Building Registration Board	15,738	302,210	(299,037)	18,910
Pathways and Works Contributions	1,379,032	306,384	(147,265)	1,538,151
Miscellaneous Bonds and Deposits	30,877	551,491	(106,138)	476,230
Leisure Facilities Bonds and Deposits	3,548	20,576	(19,704)	4,420
	1,450,943	1,544,860	(939,135)	2,056,668

20 Total Assets Classified by Function and Activity

	2016 Actual \$	2015 Actual \$
General Purpose Funding	10,757,834	13,463,751
Governance	729,134	748,791
Law, Order and Public Safety	1,449,257	1,070,368
Health	97,874	153,882
Education and Welfare	108,031	46,612
Community Amenities	4,730,341	2,690,977
Recreation and Culture	73,765,214	70,647,869
Transport	219,422,986	224,860,580
Economic Services	10,188,923	5,982,167
Other Property and Services	620,774,234	151,133,143
	942,023,829	470,798,141

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

21 Disposal of Assets

The following assets were disposed of during the year -

Details and Asset ID	Net Book Value		Sale Price		Profit / (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land held for sale						
Land held for sale	2,099,641	95,000	3,211,696	95,000	1,112,055	0
Furniture and Equipment						
Minor Plant (1X)	505	0	4,152	0	3,647	0
Plant and Machinery						
Light fleet 0-Vpk (367)	28,982	26,100	41,191	26,000	12,209	(100)
Light fleet 101-Vpk (295)	35,185	24,300	23,782	24,000	(11,403)	(300)
Light fleet 103-Vpk (305)	23,333	18,600	22,100	18,500	(1,233)	(100)
Light fleet 105-Vpk (318)	25,691	17,100	16,950	17,000	(8,741)	(100)
Light fleet 107-Vpk (292)	33,937	15,600	24,600	15,500	(9,337)	(100)
Light fleet 109-Vpk (276)	18,558	22,800	17,954	22,500	(604)	(300)
Light fleet 115-Vpk (278)	12,000	10,600	10,145	10,500	(1,855)	(100)
Light fleet 117-Vpk (277)	16,875	17,200	13,782	17,000	(3,093)	(200)
Light fleet 120-Vpk (300)	23,828	18,600	20,509	18,500	(3,319)	(100)
Light fleet 121-Vpk (298)	17,361	15,100	14,827	15,000	(2,534)	(100)
Light fleet 122-Vpk (293)	21,000	18,200	18,473	18,000	(2,527)	(200)
Light fleet 125-Vpk (271)	17,448	15,100	16,635	15,000	(812)	(100)
Light fleet 127-Vpk (294)	21,000	18,100	19,609	18,000	(1,391)	(100)
Light fleet 132-Vpk (317)	27,439	15,400	17,100	15,000	(10,339)	(400)
Light fleet 143-Vpk (306)	25,685	16,700	17,496	16,500	(8,190)	(200)
Light fleet 164-Vpk (272)	19,542	13,200	15,045	13,000	(4,497)	(200)
Light fleet 165-Vpk (254)	18,146	11,500	10,954	11,500	(7,192)	0
Light fleet 166-Vpk (273)	19,245	17,200	14,135	17,000	(5,110)	(200)
Light fleet 167-Vpk (314)	12,139	12,100	8,691	12,000	(3,448)	(100)
Light fleet 169-Vpk (94)	7,996	11,400	10,736	11,000	2,741	(400)
Light fleet 173-Vpk (304)	15,759	12,200	10,509	12,000	(5,250)	(200)
Light fleet 174-Vpk (285)	21,313	18,100	18,768	18,000	(2,544)	(100)
Light fleet 182-Vpk (299)	18,843	0	13,314	0	(5,529)	0
Light fleet 1-Vpk (259)	27,493	24,200	23,691	24,000	(3,802)	(200)
Minor Plant (143)	133	2,000	638	2,000	505	0
Minor Plant (148)	0	6,600	1,156	6,500	1,156	(100)
Minor Plant (209)	100	3,200	265	3,000	165	(200)
Truck 138-Vpk	0	27,500	0	20,000	0	(7,500)
Truck 160-Vpk	0	32,500	0	26,000	0	(6,500)
	2,609,177	556,200	3,638,902	538,000	1,029,726	(18,200)

**Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016**

22 Financial Ratios

* For an explanation of the below ratios please refer to the section - *Financial Ratios Explained* - towards the end of this document.

	2016	2015	2014
Ratios			
Current Ratio	1.53	1.72	1.43
Asset Sustainability Ratio	0.28	0.49	0.49
Debt Service Cover Ratio	6.04	7.00	3.81
Own Source Revenue Coverage Ratio	1.08	1.15	0.98
Operating Surplus Ratio	0.12	0.18	0.04

The above ratios are calculated as follows -

Current Ratio	$\frac{\text{Current Assets Minus Restricted Assets}}{\text{Current Liabilities Minus Liabilities From Restricted Assets}}$
Asset Sustainability Ratio	$\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation Expense}}$
Debt Service Cover Ratio	$\frac{\text{Annual Operating Surplus before Interest and Depreciation}}{\text{Principal and Interest}}$
Own Source Revenue Coverage Ratio	$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$
Operating Surplus Ratio	$\frac{\text{Operating Revenue minus Operating Expense}}{\text{Own Source Operating Revenue}}$

Additional Ratio Information

This information relates to ratios that only require attestation that they have been checked and supported by verifiable information.

Asset Consumption Ratio	0.76	0.71	0.75
Asset Renewal Funding Ratio	1.31	0.98	1.01
Asset Consumption Ratio	$\frac{\text{Depreciated Replacement Cost of Depreciable Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$		
Asset Renewal Funding Ratio	$\frac{\text{NPV of Planned Capital Renewal over 15 years}}{\text{NPV of Required Capital Renewal over 15 years}}$		

23 Information on Borrowings

Debentures (Budget)	Principal 1 July \$	New Loans \$	Principal Repayment \$	Principal 30 June \$	Interest Expense \$
Law, Order and Public Safety					
14 Parking Initiative	4,031,900	0	682,800	3,349,100	149,100
Recreation and Culture					
04 Aqualife Centre	1,717,000	0	306,200	1,410,800	92,700
07 Aqualife Centre II	2,052,500	0	292,100	1,760,400	122,600
11 Fletcher Park	473,600	0	29,900	443,700	22,700
Economic Services					
13 Underground Power	1,520,400	0	355,800	1,164,600	62,600
Other Property and Services					
02 Depot Land	527,800	0	92,900	434,900	31,700
03 Administration Centre	714,200	0	126,800	587,400	40,000
09 14 Kent Street	595,500	0	56,600	538,900	43,900
10 1 Harper Street	959,000	0	71,200	887,800	59,800
12 Depot Upgrade	401,000	0	25,300	375,700	19,200
	12,992,900	0	2,039,600	10,953,300	644,300

Debentures (Actual)	Principal 1 July \$	New Loans \$	Principal Repayment \$	Principal 30 June \$	Interest Expense \$
Law, Order and Public Safety					
14 Parking Initiative	4,038,954	0	672,936	3,366,019	200,404
Recreation and Culture					
04 Aqualife Centre	1,716,970	0	306,232	1,410,738	91,704
07 Aqualife Centre II	2,052,463	0	292,136	1,760,327	119,384
11 Fletcher Park	473,487	0	29,887	443,601	22,424
Economic Services					
13 Underground Power	1,520,368	0	355,812	1,164,556	60,144
Other Property and Services					
02 Depot Land	527,758	0	92,936	434,821	30,191
03 Administration Centre	714,154	0	126,825	587,329	39,291
09 14 Kent Street	595,407	0	56,602	538,805	43,823
10 1 Harper Street	959,021	0	71,233	887,789	58,994
12 Depot Upgrade	400,971	0	25,309	375,662	18,990
	12,999,554	0	2,029,908	10,969,646	685,349

23 Information on Borrowings (continued)

New Debentures

There were no new debentures entered into during the 2015-2016 Financial year.

Unspent Debentures

There was \$246,000 in unspent debentures at 30 June 2016.

Overdraft

The Town has an overdraft facility of \$200,000 to assist with short-term liquidity. The Town did not need to utilise these facilities during the year and the balance of the bank overdraft at 30 June 2016 was \$nil.

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

24 Rating Information

Rating (Budget)	Rate in \$ / Minimum	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Differential Rates						
GRV - Residential	0.0741	11,252	261,825,088	19,401,239	40,000	19,441,239
GRV - Non-Residential	0.0857	1,428	174,326,038	14,939,741	76,200	15,015,941
		12,680	436,151,126	34,340,980	116,200	34,457,180
Differential Minimums						
GRV - Residential	1,125	3,788	50,523,028	4,212,256	0	4,212,256
GRV - Non-Residential	1,156	169	1,819,932	195,364	0	195,364
		3,957	52,342,960	4,407,620	0	4,407,620
Total		16,637	488,494,086	38,748,600	116,200	38,864,800
Rate Equivalent Payments and Adjustments						0
Specified Area Rates						0
Total						38,864,800

Rating (Actual)	Rate in \$ / Minimum	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Differential General Rates						
GRV - Residential	0.0741	11,295	263,119,550	19,497,159	357,858	19,855,017
GRV - Non-Residential	0.0857	1,417	173,940,436	14,906,695	99,126	15,005,821
		12,712	437,059,986	34,403,854	456,984	34,860,838
Differential Minimums						
GRV - Residential	1,112	3,802	50,693,628	4,227,824	(49,871)	4,177,953
GRV - Non-Residential	1,156	166	1,792,832	191,896	575	192,471
		3,968	52,486,460	4,419,720	(49,296)	4,370,424
Total		16,680	489,546,446	38,823,574	407,688	39,231,262
Rate Equivalent Payments and Adjustments						0
Specified Area Rates						0
Total						39,231,262

24 Rating Information (continued)

	2016	2015	2015
	30 June	1 July	30 June
	\$	\$	\$
Information on Surplus / (Deficit) Brought Forward			
Comprises -			
Cash - Unrestricted	9,625,491	10,669,054	10,669,054
Receivables and Accruals - Current	2,949,908	2,557,041	2,557,041
Inventories - Current	8,581	5,489	5,489
Assets Held for Sale	509,104	721,192	721,192
Less -			
Payables - Current	(2,600,258)	(2,429,888)	(2,429,888)
Provisions - Current	(3,824,319)	(3,642,962)	(3,642,962)
Adjustments			
Unspent Loans	246,000	1,145,000	1,145,000
Surplus / (Deficit)	6,914,508	9,024,927	9,024,927

25 Specified Area Rates

The Town did not raise any Specified Area Rates during the 2015-2016 financial year.

26 Service Charges

The Town did not raise any Service Charges during the 2015-2016 financial year.

**Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016**

27 Rates Related Discounts, Incentives, Concessions and Write-Offs

The Town did not provide any discounts, waivers or concessions with regards to the payment of rates.

Three payment incentives were offered -

Package 1

\$2,000 cash plus one year full gym membership for use at Aqualife and Leisure Life which includes full access to the pool, gym and group fitness classes at both centres for 12 months.

Package 2

\$1,000 cash plus \$500 worth gift vouchers to local businesses within the Town of Victoria Park.

Package 3

\$500 cash plus \$250 worth of gift vouchers to local businesses within the Town of Victoria Park.

	2016	2015
	Actual	Actual
	\$	\$
Rates, and rates related fees and charges, written off	3,809	5,130

28 Rates Related Interest and Charges

Particulars	Interest Rate	Actual Revenue	Budgeted Revenue
	%	\$	\$
Instalment Interest	5.5	215,368	250,000
Late Payment Interest	11	127,004	97,000
Waste Debts Interest (Rates)	11	3,306	2,000
Charges on instalment plans and arrangements		175,560	178,000
		521,238	527,000

Ratepayers had the option of paying rates in four equal instalments. These were due -

- 1 4 September 2015
- 2 9 November 2015
- 3 12 January 2016
- 4 17 March 2016

Administration charges (\$10 per instalment) and interest applied for the final three instalments.

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

29 Fees and Charges

Program	2016 Actual \$	2015 Actual \$
General Purpose Funding	259,588	207,488
Law, Order and Public Safety	2,287,552	2,686,172
Health	263,556	225,137
Education and Welfare	212,892	140,210
Community Amenities	1,290,673	1,351,710
Recreation and Culture	4,734,744	4,785,638
Transport	196,312	135,644
Economic Services	342,184	697,233
Other Property and Services	158,780	103,555
	9,746,281	10,332,788

30 Grants and Contributions

By Nature or Type	2016 Actual \$	2015 Actual \$
Grants and Contributions - Operating	1,085,028	2,501,727
Grants and Contributions - Non-Operating	1,472,990	1,239,333
	2,558,018	3,741,059

By Program

General Purpose Funding	577,430	1,752,732
Governance	0	0
Law, Order and Public Safety	275,176	318,418
Health	22	6
Education and Welfare	66,318	28,565
Community Amenities	0	0
Recreation and Culture	66,227	320,447
Transport	1,525,306	1,098,591
Economic Services	2,959	62,573
Other Property and Services	44,577	159,727
	2,558,018	3,741,059

31 Employee Numbers

Number of Full-Time Equivalent Employees at Balance Date	180	179
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32 Elected Members' Fees and Allowances

Particulars	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
Mayoral Allowance	61,800	61,800	61,530
Deputy Mayoral Allowance	15,450	15,500	15,382
Members Meeting Fees	211,665	211,700	210,739
Information and Communication Technology Allowance	31,500	31,500	31,500
Members Expenses	1,175	6,100	4,238
Members Travel	1,919	9,000	1,214
	323,509	335,600	324,602

33 Events after the reporting period

There are no material or significant events that require disclosure in the financial report.

34 Major Land Transactions

Tamala Park

The Town is a one-twelfth (1/12th) owner of Lot 9504 Tamala Park with six other Councils (Cities of Perth, Joondalup, Stirling, Vincent and 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 the Catalina Estate. As part owner of the land, the Town is entitled to one-twelfth of the net proceeds of the land development. During the financial year ended 30 June 2016, 112 lots of land were settled. The Town received sales proceeds of \$3.2 million and recorded the 1/12th share of associated development and selling costs of \$2.1 million, resulting in a gain on disposal of land of \$1.1 million.

Expected Future Cash Flows

	2017	2018	2019	2020	2021	2022
	\$	\$	\$	\$	\$	\$
Cash inflow	5,195,568	4,704,835	4,988,014	5,668,921	5,865,058	5,535,840
Cash outflow	(3,113,922)	(3,898,918)	(2,540,607)	(2,638,363)	(2,360,502)	(1,649,960)
Net cash flow	2,081,646	805,917	2,447,407	3,030,558	3,504,556	3,885,879
Cumulative Cash Flow	2,081,646	2,887,563	5,334,970	8,365,528	11,870,083	15,755,963
	2023	2024	2025	2026	2027	Total
	\$	\$	\$	\$	\$	\$
Cash inflow	1,739,360	1,928,279	3,496,054	6,795,151	1,521,282	47,438,361
Cash outflow	(561,885)	(572,204)	(1,580,806)	(1,540,255)	(26,301)	(20,483,722)
Net cash flow	1,177,475	1,356,075	1,915,249	5,254,896	1,494,981	26,954,639
Cumulative Cash Flow	16,933,437	18,289,513	20,204,762	25,459,657	26,954,639	

The total net cash flows received by the Town, in relation to the Tamala Park subdivision, up to 30 June 2016, has been an inflow of \$7.5 million.

The net cash flows of the entire land transactions is expected to result in an inflow of funds of \$32.6 million

35 Financial Risk Management

The Town's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk, and interest rate risk. The Town's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Town. The Town does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by the Town under policies approved by Council. Council held the following financial instruments at balance date;

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	30,438,858	24,392,554	30,438,858	24,392,554
Receivables	3,783,151	3,700,124	3,783,151	3,700,124
Financial Liabilities				
Payables	2,600,258	2,429,888	2,600,258	2,429,888
Borrowings	10,969,646	12,999,554	10,288,977	11,639,274

Fair value is determined as follows -

1. Cash and cash equivalents, Receivables, Payables - estimated to the carrying value, which approximates net market value.
2. Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

Cash and cash equivalents and Financial Assets at Fair Value

The Town's objective is to maximise return on cash and cash investments whilst maintaining an adequate level of liquidity and preserving capital. The Town maintains an investment policy and the policy is subject to regular review. An investment report is provided monthly setting out the make-up and performance of the portfolio.

The major risk associated with any investment is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete the obligations under the financial instrument resulting in a financial loss to the Town.

The Town manages these risks by diversifying the portfolio and only purchasing investments with high credit ratings or capital guarantees.

	2016	2015
	\$	\$
Impact of a 1% movement in interest rates on cash and investments		
- Equity	304,389	243,926
- Statement of Comprehensive Income	304,389	243,926

The above are sensitivity percentages based on expectation of possible future market movements.

35 Financial Risk Management (continued)

Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. This risk is managed by monitoring outstanding debt and employing debt recovery policies. Credit risk on rates and annual charges is minimised by the ability to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. Interest can also be charged on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported monthly and monitored for acceptable collection performance. Suitable provision is made for doubtful receivables, as required, and credit checks are carried out on most non-rate debtors. There are no material receivables that have been subject to a re-negotiation of repayment terms. The Town's profile of credit risk at balance date was -

	2016	2015
Percentage of Rates and Annual Charges		
- Current (Due within 12 months)	55%	56%
- Overdue	45%	44%
Percentage of Other Receivables		
- Current (Due within 30 days)	78%	98%
- Overdue	22%	2%

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. This risk is managed by monitoring cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of Payables and Borrowings are set out in the Liquidity Sensitivity Table as shown below -

	Due Within 1 Year \$	Due Between 1 and 5 Years \$	Due After 5 Years \$	Total Contractual Cash Flows \$	Total Carrying Values \$
Year Ended 30 June 2016					
Payables	2,600,258	0	0	2,600,258	2,600,258
Borrowings	2,686,207	7,691,912	1,314,860	11,692,978	10,969,646
	5,286,464	7,691,912	1,314,860	14,293,236	13,569,904
Year Ended 30 June 2015					
Payables	2,429,888	0	0	2,429,888	2,429,888
Borrowings	2,686,207	8,058,620	4,741,007	15,485,834	12,999,554
	5,116,095	8,058,620	4,741,007	17,915,722	15,429,442

35 Financial Risk Management (continued)

Payables and Borrowings (continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. This is not a factor with the loan portfolio, as set out below, as all loans have a fixed interest rate for the duration of the loan. The following table sets out the carrying amount, by maturity, of the financial instruments of the Town of Victoria Park -

	Less Than 1 Year \$	Between 1 and 5 Years \$	More Than 5 Years \$	Total \$	Weighted Average Effective Interest Rate %
Year Ended 30 June 2016					
Fixed Rate Debentures	2,132,749	7,697,253	1,139,644	10,969,646	2.89%
Year Ended 30 June 2015					
Fixed Rate Debentures	2,029,908	6,728,894	4,240,752	12,999,554	3.03%

Notes to, and forming part of, the Financial Report
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36 Fair Value Measurements

The Town of Victoria Park measures the following assets at fair value on a recurring basis after initial recognition -

- Financial Assets at fair value through profit or loss
- Property, Plant and Equipment
- Infrastructure

The following table provides the fair values of the Town of Victoria Park assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

Recurring Fair Value Measurements as at 30 June 2016

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Financial Assets at fair value through profit and loss	0	0	0	0
Total financial assets recognised at fair value	0	0	0	0
Non-Financial Assets				
Land	0	604,030,000	0	604,030,000
Buildings	0	192,000	62,816,906	63,008,906
Plant and Machinery	0	461,565	1,496,648	1,958,213
Furniture and Equipment	0	0	2,004,485	2,004,485
Information Technology	0	0	692,051	692,051
Roads	0	0	156,703,072	156,703,072
Pathways	0	0	18,869,257	18,869,257
Drainage	0	0	33,760,402	33,760,402
Parks / Reserves	0	0	8,391,081	8,391,081
Other Assets	0	0	8,205,503	8,205,503
Total non-financial assets recognised at fair value	0	604,683,565	292,939,405	897,622,970

Recurring Fair Value Measurements as at 30 June 2015

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Financial Assets at fair through profit and loss	0	0	0	0
Total financial assets recognised at fair value	0	0	0	0
Non-Financial Assets				
Land	0	36,584,000	99,626,500	136,210,500
Buildings	0	0	61,322,051	61,322,051
Plant and Machinery	0	2,247,546	0	2,247,546
Furniture and Equipment	0	2,126,641	0	2,126,641
Roads	0	0	144,135,268	144,135,268
Pathways	0	0	32,517,980	32,517,980
Drainage	0	0	33,829,894	33,829,894
Parks / Reserves	0	0	7,330,488	7,330,488
Other Assets	0	0	12,953,139	12,953,139
Total non-financial assets recognised at fair value	0	40,958,187	391,715,320	432,673,507

36 Fair Value Measurements (continued)

Transfer Policy

The policy of the Town is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were transfers between Levels 1 and 2 and Levels 2 and 3 within the Property, Plant and Equipment asset categories.

Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

Valuation techniques and inputs used to derive fair values

Assets	Level of Valuation Input	Fair Value at 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Land	2	10,058,000	Market	Price per square metre
Land	2	594,047,000	Cost	Price per square metre
Total		604,105,000		
Buildings	2	192,000	Market	Based on actual dimensions and unit rates derived from market evidence, consideration of likely future asset management plans.
Buildings	3	62,816,906	Cost	
Total		63,008,906		
Plant and Machinery	2	461,565	Market	Make, size, year of manufacture and condition, historic factors (functionality, capacity, utilisation, obsolescence etc.) and component specific factors such as physical condition and maintenance history
Plant and Machinery	3	1,496,648	Cost	
Total		1,958,213		
Furniture and Equipment	3	2,004,485	Cost	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Total		2,004,485		
Information Technology	3	692,051	Cost	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Total		692,051		

36 Fair Value Measurements (continued)

Valuation techniques and inputs used to derive fair values (continued)

Infrastructure	Level of Valuation Input	Fair Value at 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Roads	3	156,703,072	Cost	<ul style="list-style-type: none"> • Replacement Cost (based on actual dimensions and unit rates derived from market evidence) • Residual Value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil) • Split between short-life and long-life part (based on consideration of likely future asset management treatments) • Valuation Profiles • Consumption score (based on physical characteristics as well as potential impact of changes in functionality, capacity, obsolescence and legal and other limits).
Pathways	3	18,869,257	Cost	
Drainage	3	33,760,402	Cost	
Parks	3	8,391,081	Cost	
Other Assets	3	8,205,503	Cost	
Total		225,929,315		

Recurring Fair Value Measurements and Process

The Town engages external, independent and qualified valuers to determine the fair value of the entities land, buildings, infrastructure and major plant on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices. As at 30 June 2016 a comprehensive revaluation was undertaken for all asset classes subject to revaluation.

The following methods are used to determine the fair value measurements:

Land - Market Approach (Direct Comparison Approach)

This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

Land - Cost Approach

This approach to valuation applies to land assets that cannot be valued on the Market Value Approach due to their configuration, council zoning restrictions, contamination of similar factors that result in there being no directly comparable market evidence. As this method is based on determining the Replacement Cost of the land asset the valuation methodology is intrinsically linked to the concept as defined in the Australian Accounting Standards. Fair Value measures the relative level of remaining service potential embodied within the asset.

To determine the Replacement Cost the following were applied:

- What restrictions are placed on the land by Council? This includes such restrictions as use for a library, sporting facility, cemetery, land fill or any other council specific use.
- These uses are usually transacted in the market place with no direct comparative sales evidence so it is necessary to assess them on the basis of Replacement Cost.

36 Fair Value Measurements (continued)

Recurring Fair Value Measurements and Process (continued)

Land (continued)

If this land asset was not controlled by council what would its highest and best alternate use be based on its location and surround zoning and development. This could mean a sports field or a cemetery would have a replacement use of a residential subdivision site (residential englobo) or an inner city library would have a replacement use of commercial development. Likewise regarding contamination council would not replace a contaminated land fill with another contaminated site, so it too is disregarded. The replacement cost is assessed utilising this cost approach to valuation, determining how much it would cost council to replace this asset and the service potential embodied within it.

Buildings - Market Approach (Direct Comparison)

These were used to determine the fair value of a range of properties. This included the residential properties where the relevant inputs were able to be observed from current market evidence. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size.

Buildings - Cost Approach (Depreciated)

This includes specialised. These buildings were valued using the cost approach using professionally qualified Registered Valuers. Under this approach the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The valuer disaggregated the building into different components and for each component determined a value based on the interrelationship between a range of factors. These include asset condition, legal and commercial obsolescence.

Plant and Machinery and Furniture and Equipment - Market Approach (Direct Comparison Approach)

Evidence of market value was obtained from the sales evidence of similar or reference assets. This may include reference to relevant industry guides such as Glasses. The asset was assessed in terms of the factors relevant to a market participant and a value determined after adjusting for the difference in these factors embodied within the asset and the reference assets.

Plant and Machinery and Furniture and Equipment - Cost Approach

Plant and Machinery assets valued using the cost approach have been componentised as Major Plant and Furniture. These components have been determined based on the relative materiality of the cost and that each typically reflects a different useful life or pattern of consumption. The components also include a number of small services. While not necessarily material they have been separated out due to the need to provide information into the asset management planning process. These components were then further split into a short-life part and a long-life (recyclable) part based on the most likely future asset management treatments. If an entity intends to renew the asset the amount of value estimated to be preserved in the asset at the time of intervention is recorded as the long-life (recyclable) part and the balance is recorded as the short-life part.

All Infrastructure

Infrastructure assets valued using the cost approach have been componentised as follows:

Roads

- Sealed Roads - Seal, Pavement, Formation
- Kerb and Channel - Kerb, Traffic Island, Roundabout

Pathways

- Footpath - Concrete, Bitumen, Pavers

Drainage

- Stormwater sump - Sump
- Stormwater Pit - Gully, Grate, Side Entry Pit, Manhole, Soakwell, Gross Pollutant Trap, Outlet
- Stormwater Drain - Drain

Parks

- Landscaping
- Improvements

Other Assets

- Carpark - RCBC / RCP, Floodway
- Street Lighting - Light

36 Fair Value Measurements (continued)

Recurring Fair Value Measurements and Process (continued)

All Infrastructure (continued)

These components have been determined based on the relative materiality of the cost and that each typically reflects a different useful life or pattern of consumption. The components also include a number of small services. While not necessarily material they have been separated out due to the need to provide information into the asset management planning process.

These components were then further split into a short-life part and a long-life (recyclable) part based on the most likely future asset management treatments. If an entity intends to renew the asset the amount of value estimated to be preserved in the asset at the time of intervention is recorded as the long-life (recyclable) part and the balance is recorded as the short-life part.

All road and stormwater network infrastructure assets were valued using level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2 given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3 we have adopted a policy that all road and water network infrastructure assets are deemed to be valued at level 3.

Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Liabilities

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Particulars	Level of Valuation Input	Valuation Technique(s)	Inputs Used
Borrowings	2	Income approach using discounted cash flow methodology	Current Treasury borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

37 Related Party Disclosures

Pursuant to Council Policy FIN9 (Business dealings with elected members and employees), business activity has been conducted with the following related parties -

	2016	2015
	Actual	Actual
Purchase details	\$	\$
Signage from All Signs (a business owned by ex-Councillor Vin Nairn)	4,235	10,758
Building asset services from R Podmore (spouse of A Podmore (Executive Officer))	51,356	48,358

The procurement of these services was undertaken in accordance with the necessary legislation and policies.



TOWN OF
VICTORIA PARK

FINANCIAL RATIOS

EXPLAINED

FINANCIAL RATIOS EXPLAINED

CURRENT RATIO (2016 — 1.53:1)

Liquidity refers to how quickly and cheaply an asset can be converted into cash. A local government's liquidity is measured by the 'Current Ratio'. This ratio provides information on the ability of a local government to meet its short-term financial obligations out of unrestricted current assets. The calculation of this ratio is explained as follows:

$$\text{Current Ratio} = \frac{\text{(Current Assets Minus Restricted Assets)}}{\text{(Current Liabilities Minus Liabilities From Restricted Assets)}}$$

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

The standard is not met if the ratio is lower than 1:1 (less than 100%). The standard is met if the ratio is greater than 1:1 (100% or greater). A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

ASSET SUSTAINABILITY RATIO (2016 — 0.28)

This ratio is an approximation of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation expense. Expenditure on new or additional assets is excluded. Depreciation expense represents an estimate of the extent to which the assets have been consumed during that period. Measuring assets at fair value is critical to the calculation of a valid depreciation expense value.

$$\text{Asset Sustainability Ratio} = \frac{\text{(Capital Renewal and Replacement Expenditure)}}{\text{(Depreciation Expense)}}$$

This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

The standard is met if the ratio can be measured and is 90% (or 0.90). The standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10).

DEBT SERVICE COVER RATIO (2016 – 6.04)

A local government's ability to service debt is measured by the 'Debt Service Cover Ratio'. This is the measurement of a local government's ability to produce enough cash to cover its debt payments.

$$\text{Debt Service Cover Ratio} = \frac{\text{(Annual Operating Surplus before Interest and Depreciation)}}{\text{(Principal and Interest)}}$$

This ratio is the measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan.

A Basic standard is achieved if the ratio is greater than or equal to two. An Advanced standard is achieved if the ratio is greater than five.

OWN SOURCE COVERAGE RATIO (2016 – 1.08)

A local government's ability to cover its costs through its own taxing and revenue efforts is measured by the 'Own Source Revenue Coverage Ratio'.

$$\text{Own Source Coverage Ratio} = \frac{\text{(Own Source Operating Revenue)}}{\text{(Operating Expense)}}$$

This ratio is the measurement of a local government's ability to cover its costs through its own revenue efforts. Different standards have been established to recognise the varying revenue raising capacities across the sector, where some rural and remote local governments have limited rate bases and revenue raising capacity, whereas others such as major metropolitan and regional local governments have significant rate bases and other own source revenues.

A Basic standard is achieved if the ratio is between 40% and 60% (or 0.4 and 0.6). An Intermediate standard is achieved if the ratio is between 60% and 90% (or 0.6 and 0.9). An Advanced standard is achieved if the ratio is greater than 90% (or > 0.9).

FINANCIAL RATIOS EXPLAINED

OPERATING SURPLUS RATIO (2016 – 0.12)

A key indicator of a local government's financial performance is measured by the 'Operating Surplus Ratio'. If a local government consistently achieves a positive operating surplus ratio and has soundly based long term financial plans showing that it can continue to do so in future, having regard to asset management and the community's service level needs, then it is considered financially sustainable. A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.

$$\text{Operating Surplus Ratio} = \frac{\text{(Operating Revenue Minus Operating Expense)}}{\text{(Own Source Operating Revenue)}}$$

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

A Basic Standard is between 1% and 15% (0.01 and 0.15) and an Advanced Standard is > 15% (>0.15).

ASSET CONSUMPTION RATIO (2016 – 0.76)

This ratio seeks to highlight the aged condition of a local government's stock of physical assets. If a local government is responsibly maintaining and renewing/replacing its assets in accordance with a well prepared asset management plan, then the fact that its Asset Consumption Ratio may be relatively low and/or declining should not be cause for concern – providing it is operating sustainably.

$$\text{Asset Consumption Ratio} = \frac{\text{(Depreciated Replacement Cost of Depreciable Assets)}}{\text{(Current Replacement Cost of Depreciable Assets)}}$$

This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

The standard is met if the ratio can be measured and is 50% or greater (0.50 or >). The standard is improving if the ratio is between 60% and 75% (0.60 and 0.75).

ASSET RENEWAL FUNDING RATIO (2016 – 1.31)

This ratio indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without additional operating income; or reductions in operating expenses. The ratio is calculated from information included in the local government's Long Term Financial Plan and Asset Management Plan; not the Annual Financial Report. For the ratio to be meaningful, a consistent discount rate should generally be applied in Net Present Value (NPV) calculations.

$$\text{Asset Renewal Fund Ratio} = \frac{\text{(NPV of Planned Capital Renewal over 15 Years)}}{\text{(NPV of Required Capital Renewal over 15 years)}}$$

This ratio is a measure of the ability of a local government to fund its projected asset renewal/replacements in the future.

The standard is met if the ratio is between 75% and 95% (or 0.75 and 0.95). The standard is improving if the ratio is between 95% and 105% (or 0.95 and 1.05), and the Asset Sustainability Ratio falls within the range 90% to 110%, and the Asset Consumption Ratio falls within the range 50% to 75%.

Information on the calculation of ratios is from the Department of Local Government and Communities *Local Government Operational Guidelines – Number 18 – June 2103 – Financial Ratios* and can be found on their website at www.dlgc.wa.gov.au.

Source: dlgc.wa.gov.au



TOWN OF
VICTORIA PARK

AUDITOR'S REPORT

2015/2016

INDEPENDENT AUDITOR'S REPORT TO: THE RATEPAYERS OF TOWN OF VICTORIA PARK

Report on the Financial Report

We have audited the financial report of the Town of Victoria Park, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Opinion

In our opinion, the financial report of the Town of Victoria Park:

- (a) gives a true and fair view of the financial position of the Town of Victoria Park as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including Australian Accounting Interpretations).


Report on Other Legal and Regulatory Requirements

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 22 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Town of Victoria Park for the year ended 30 June 2016 included on the Town of Victoria Park's website. Management is responsible for the integrity of the Town of Victoria Park's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.


MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED THIS 15TH DAY OF NOVEMBER 2016.







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**This information is available in an alternative format
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