

2001/02 Operating Statement by Nature

Appendix II

2001/2002 BUDGET

Operating Statement - By Nature

	Notes	Adopted 2000/2001 \$	Actual 2000/2001 \$	Estimated 2001/2002 \$
Revenues				
Rates	1	37,402,304	37,286,128	39,587,473
Rates - Specified Area	2	61,760	65,951	137,893
Security Charge	3	1,487,781	1,503,643	
Government Grants and Subsidies	4	7,606,138	8,240,830	8,512,750
Contributions, Reimbursements and Donations	5	12,387,212	6,758,600	9,321,450
Profit on Asset Disposal	6	13,349	0	30,393
Service Charges	7	7,607,661	6,152,359	6,463,310
Fees and Charges	8	5,558,060	4,327,726	2,411,952
Interest Earnings	9	1,275,990	2,265,029	2,343,585
Revenue from Other Councils	10	315,636	341,107	148,780
Total Operating Revenues		73,715,891	66,941,373	68,957,586
Expenses				
Employee Costs	11	26,273,185	25,393,243	22,380,870
Materials and Contracts	12	24,838,642	24,353,690	24,381,082
Utilities (Gas, Electricity, Water etc)	13	2,573,840	2,737,220	2,582,695
Depreciation on Non Current Assets		14,334,954	14,554,617	13,783,997
Loss on Asset Disposal	14	549,816	967,515	114,159
Insurance Expenses	15	509,725	566,331	711,954
Total Operating Expenses		69,080,162	68,572,616	63,954,757
CHANGES IN NET ASSETS RESULTING FROM OPERATIONS		4,635,729	(1,631,243)	5,002,829

OPERATING STATEMENT BY NATURE

Notes to the 2001/02 Operating Statement By Nature (Appendix II)

1. 2001/2002 Rates increased to accommodate the Safer Community Service which is now funded through Rates rather than a Service Charge. The overall valuations also increased as a consequence of growth.
2. 2001/2002 includes, for the first time, Specified Area Rates for enhanced landscaping treatments at Harbour Rise Hillarys.
3. The Property Surveillance and Security Charge is not included in 2001/2002 as the service is now funded through rates.
4. 2001/02 includes Road Grants i.e. (Roads to Recovery Program) and additional Financial Assistance Grants.
5. Contributions and Reimbursements have increased in 2001/02 due to:-
 - An anticipated increase in the distribution from the Mindarie Regional Council of \$500k
 - Revenue from Reserves (\$4,412,311) being shown in this line item. The 2000/2001 Budget did not reflect the recoup from Reserves (\$1,436,794) at this line item
 - As a consequence of changes to the Australian Accounting Standards Contributions from Developers are now included within Operating Income at this line item. This was previously disclosed as an abnormal revenue item. Contributions from Developers were as follows:
 - 2000/01 Budget - \$ 11,600,000
 - 2001/01 Actual - \$ 4,448,033
 - 2001/02 Budget - \$ 3,530,000
6. Profit on sale emanating from the Plant/Vehicle Replacement Programme.
7. The 2000/2001 Budget included income associated with the Waste Recycling Service with the anticipated participation of 15,000 residents whilst only 5,500 residents finally opted for this service. The 2001/2002 Budget reflects the current utilisation of the Waste Recycling Service. This lower utilisation also reflects a corresponding reduction in expenditure (refer item 12).
8. Revenues have decreased in 2001/02 due to:-
 - transfer of the management of Leisure Centres to RANS Management
 - transfer of various Welfare Services to Community Vision (Inc)
 - A reduced return from Building Licence fees.
9. 2001/2002 interest earnings is estimated with regard to anticipated interest rates and estimated investment balances and are comparable to the 2000/2001 Actuals.
10. In 2001/2002 revenues have decreased due to:
 - Library services provided by the City of Joondalup to the City of Wanneroo ceasing in August 2001.
 - The City of Wanneroo no longer renting the Kingsley premises from the City.
11. 2001/2002 Budget reflects lower staff numbers due to the transfer of Leisure staff to RANS and Welfare staff to Community Vision (Inc). Additional costs have been included for general salary increases.

12. The 2000/2001 Budget included the following:

- costs associated with the Waste Recycling Program for 15,000 residents. Only 5,500 residents utilised this service. This is offset by a corresponding income reduction (refer item 7). Tipping fees have also increased in 2001/2002.
- An amount of \$145,333 for a donation to the Arena was previously shown as an “abnormal item”. Changes to the Australian Accounting Standard now requires that this amount be included within operating expenditure in the statement.

13. 2001/2002 Budget reflects lower utility costs as a consequence of the Leisure Centre Management now with the RANS Management Group.

14. This line item reflects the Loss on Disposal resulting from the Plant/Vehicle Replacement programme.

15. Reflects increases in 2001/2002 insurance premium expenses.