



City of
Joondalup

2001/2002 Budget

Notes to and forming part of the Annual
Budget for the year Ending 30 June 2002

2001/2002 Budget

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1. Significant Accounting Policies

The significant policies, which have been adopted in the preparation of this annual budget, are: -

(a) Basis of Accounting

The annual budget has been drawn up in accordance with the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. It has been prepared on the accrual basis under the convention of historical cost accounting and includes the requirements of Australian Accounting Standard AAS27 and AAS28.

(b) The Local Government Reporting Entity

The annual budget forming part of this report has been prepared on the basis of a single consolidated fund (Municipal Fund). Monies held in Council's Trust Fund have been excluded from the consolidated annual budget.

(c) Rounding of Figures

All figures shown in the budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Depreciation

Property, plant and equipment are carried at cost. Infrastructure assets were brought to account at 30 June 2001 as non current assets at their estimated written down value. Items of property, plant and equipment, infrastructure assets including buildings but excluding freehold land and artworks, are depreciated over their estimated useful lives on a straight line basis as follows: -

Buildings	40 years
Light Vehicles	13.5 years
Heavy Vehicles	9.5 years
Plant	8 years
Furniture & Equipment	10 years
Other Plant and Equipment	10 years
Reserves/Parks Playground and Leisure Equipment	10 years
Computer Hardware	3 years
Computer Software	5 years
Infrastructure Assets	5-50 years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(e) Rates and Charges

The rating and reporting periods coincide. All rates levied for the year are recognised as revenues. As at 30 June 2001, total rates outstanding are \$2,033,518 (including deferred rates of \$829,044), Swimming Pool Fees debtors \$2,836 and Domestic Refuse Charges debtors \$145,022.

1. Significant Accounting Policies (Continued)**(f) Grants, Donations and Other Contributions**

All grants, donations and other contributions have been recognised as revenues during the year. Expenditure of those monies has been made, or in the case of unexpended monies at balance date, will be made in the manner specified under the conditions upon which the City received those monies.

(g) Investments

All investments are valued at cost and interest on those investments is recognised when accrued. An investment with PBS (In Liquidation) of \$95,266 is valued at net realisable value.

(h) Employee Entitlements

Provision is made for benefits accruing to employees in respect of salaries and wages, annual, long service, and sick leave when it is probable that settlement will be required, and are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual and sick leave expected to be settled within twelve months, are measured at their nominal values in accordance with AAS30.

(i) Superannuation Fund

The City contributes to the Western Australian Local Government Superannuation Plan with contributions to the fund made by employees. The expense related to these contributions is reflected in Council's annual budget.

(j) Land Held for Resale

Land is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on financing of the land during its development. Interest and other holding charges incurred after development is complete are recognised immediately as expenses.

Revenue arising from the sale of property (if applicable) is recognised in the operating statement as at the time of signing a binding contract of sale.

(k) Works in Progress

Major works, which were not completed at 30 June 2001, are recorded as Works in Progress. Funds to complete those projects have been provided in the 2001/2002 Annual Budget.

1. Significant Accounting Policies (Continued)

(l) Corporate Overhead – Cascaded Allocation

To determine the true cost of the City's activities, the 2001/2002 Budget incorporates the distribution of all administrative overhead costs to service delivery areas with an appropriate proportion identified as being associated with the City's "governance" role.

In allocating overhead costs, appropriate "cost drivers" were identified to allocate costs through the organisation. The cascade hierarchy followed a multiple step process, cascading Corporate Costs to Business Units, and where appropriate, Business Unit costs to Activities, and where necessary Works Programmes.

The allocation of costs to Business Unit Activities to determine "true costs" differs in principle to the allocation of costs associated with Programme Reporting. In determining "true costs", costs are allocated to Governance Activities associated with running Council rather than Business Unit Activities. In determining Programme costs, Governance costs are allocated down to Programmes.

The mapping of Activities to Programmes at account hierarchy level facilitates this difference in approach.

(m) Budget Authorisation

During 2000/2001, the City of Joondalup introduced a process of variance analysis and forecasting to maintain budgetary control with the only adjustment to budget being for major deviations in operation. The 2001/2002 Budget, while compiled at line item basis will stand as the plan for the coming year.

The interpretation placed on Section 6.8 (1) of the Local Government Act, 1995 is that the purpose denotes the operating activities undertaken by the Business Unit during the course of the year, for example, Library Services, and those budgets will be managed on a "bottom line" basis. Project budgets for all operating and capital initiatives, replacement programme and capital works will be treated as stand alone activities and these project budgets will also be monitored on a 'bottom line' basis.

The City believes this meets the criteria set out in Section 6.8 (1) of the Local Government Act 1995 of defining purpose in terms of budgeted expenditure while giving greater flexibility to managers in managing the expenditure required to incur to manage the day to day business activities.

(n) Abnormal Items

In accordance with Australian Accounting Standards, Contributions from Developers are now disclosed as Operating Income. The 2000/01 Budget disclosed such contributions as abnormal items.

2. Operating Revenues and Expenses

(a) Operating Revenues and Expenses Classified According to Programme

	Adopted 2000/2001 \$	Actual 2000/2001 \$	Estimated 2001/2002 \$
Revenues			
General Purpose Funding	42,194,294	43,062,632	45,221,159
Governance	0	0	0
Law, Order and Public Safety	2,213,821	2,429,184	1,654,307
Health	98,808	104,467	108,561
Education & Welfare	3,162,216	3,046,007	724,702
Housing	12,628	0	0
Community Amenities	8,172,472	6,887,473	7,399,460
Recreation and Culture	3,995,841	3,342,051	1,310,993
Transport	12,400,132	6,435,898	7,971,314
Economic Services	898,515	508,805	580,276
Other Property and Services	567,164	1,124,856	3,986,814
Total Operating Revenues	73,715,891	66,941,373	68,957,586
Expenses			
Governance	1,007,607	1,004,041	1,073,727
Law, Order and Public Safety	4,878,903	4,744,346	4,793,589
Health	1,127,326	1,238,039	1,092,989
Education and Welfare	4,978,946	5,374,049	2,315,435
Housing	51,103	0	0
Community Amenities	11,665,259	10,148,320	10,158,967
Recreation and Culture	20,625,687	21,951,480	18,454,057
Transport	18,803,449	17,785,292	17,185,588
Economic Services	940,833	1,154,547	1,128,490
Other Property and Services	5,001,049	5,132,502	7,751,915
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

2. Operating Revenues and Expenses (Continued)

(b) Programme Activities

Operating Statements have been provided by Nature and by Programme, the latter being included in the notes to the accounts. Broad definitions of each programme are as follows:

General Purpose Funding

Rates Income, Grants Commission and Pensioner Deferred Rates Interest and Interest on Investments.

Governance

Governance relates to Elected Members costs only. All other governance related activities in areas such as Council Support, Administration, Finance and Information Services have been allocated down to the Programmes that these costs support.

Law, Order and Public Safety

Supervision of various local laws, security, fire prevention and animal control.

Health

Prevention and treatment of human illnesses, including inspection of premises/food control, immunization and child health services.

Education and Welfare

Provision, management and support services for families, children and the aged and disabled within the community, including pre-school playgroups, day and after school care, assistance to schools, senior citizens support groups and meals on wheels. Provision of Aged Persons Units and Resident Funded Units.

Housing

Provision of housing and leased accommodation where council acts as landlord.

Community Amenities

Town planning and development, rubbish collection services, stormwater drainage, the provision of public conveniences, bus shelters, roadside furniture and litter control.

Recreation & Culture

Provision of facilities and support for organisations concerned with leisure time activities and sport, support for the performing and creative arts and the preservation of the national estate. This includes maintenance of halls, aquatic centres, recreation and community centres, parks, gardens, sports grounds and the operation of libraries.

2. Operating Revenues and Expenses (Continued)

Transport

Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and the City Depot, including development, plant purchase and maintenance.

Economic Services

Rural services and pest control and the implementation of building controls.

Other Property & Services

Private works, public works overheads, council plant operations, materials, salaries and wages and Town Planning Schemes. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by the council.

3. Operating Revenues and Expenses (notes to operating statements)

(a) Revenue - Rates

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Rates – (General)	<u>\$37,402,304</u>	<u>\$37,286,128</u>	<u>\$39,587,473</u>

The growth in Rates is due to an increase of 510 fully rateable properties, increased property values arising from developments during the 2000/2001 year, a 3.35% increase in the General Rate-in-the-\$ and an increase of approximately 5% in the minimum payments. As a result of the referendum held in May 2001, funding for the Safer Community Programme is included in the general rates. The 2000/2001 Safer Community Programme was funded through a Property Surveillance and Security Charge.

(b) Revenue – Specified Area

	Budget 2000/2001 \$	Actual 2000/2001 \$	Estimated 2001/2002 \$
Rates – Specified Area - Iluka	43,760	47,836	73,393
Rates – Specified Area - Woodvale	18,000	18,115	24,300
Rates – Specified Area – Harbour Rise	0	0	40,200
Rates – Specified Area	<u>\$61,760</u>	<u>\$ 65,951</u>	<u>\$ 137,893</u>

Rates – Specified Area relates to enhanced landscaping undertaken by the City at the request of ratepayers within specified areas – Iluka, Woodvale Waters and Harbour Rise.

3. Operating Revenues and Expenses (notes to operating statements) (Continued)

(c) Contributions, Grants and Subsidies

	Budget 2000/2001 \$	Actual 2000/2001 \$	Estimated 2001/2002 \$
Contributions, Grants and Subsidies	787,212	835,773	1,379,139
Recoups from Reserves	0	1,436,794	4,412,311
Contributions from Developers for Infrastructure Assets - Parks	200,000	221,979	200,000
Contributions from Developers for Infrastructure Assets – Roads, Drainage, Footpaths and Lighting	11,400,000	4,264,054	3,330,000
Total	\$ 12,387,212	\$ 6,758,600	\$ 9,321,450

Contributions and Reimbursements are estimated due to the following:

- Additional distribution from the Mindarie Regional Council of \$500,000.
- Contributions, Grants and Subsidies include for 2001/02, Recoups from Reserves to more appropriately reflect transfers from Reserves within the Operating Statement. During 2001/02 \$ 3,207,500 is budgeted to be transferred from the Asset Replacement Reserve to establish a new Depot.
- As a consequence of changes to the Australian Accounting Standards, Contributions from Developers are now included within Operating Income. This was previously disclosed as an abnormal revenue item.

(d) Profit on Disposal

	Budget 2000/2001 \$	Actual 2000/2001 \$	Estimated 2001/2002 \$
Profit on Disposal	<u>\$ 13,349</u>	<u>\$ 0</u>	<u>\$ 30,393</u>

Profit on Disposal is estimated to arise on the replacement of motor vehicles and plant during the year.

3. **Operating Revenues and Expenses (notes to operating statements) (Continued)**

(e) Service Charges

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Service Charges	<u>\$ 7,607,661</u>	<u>\$ 6,152,359</u>	<u>\$ 6,463,310</u>

The City introduced a voluntary domestic recycling programme during 2000/2001, estimating that approximately 15,000 residents would participate in programme during the year. Approximately 5,500 residents participated in this programme during 2000/2001 and this level of participation is expected to continue during 2001/02.

(f) Revenue from Other Councils

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Revenue from Other Councils	<u>\$ 315,636</u>	<u>\$ 341,108</u>	<u>\$ 148,780</u>

During the 2000/2001 year, the City provided accommodation at Kingsley at commercial terms and Library Services under a Service Level Agreement to the City of Wanneroo. During 2001/2002 the City will conclude the Library Services provided to the City of Wanneroo under the Service Level Agreement.

(g) Employee Costs

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Employee Costs	<u>\$ 26,273,185</u>	<u>\$ 25,393,243</u>	<u>\$ 22,380,870</u>

The 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.

3. Operating Revenues and Expenses (notes to operating statements) (Continued)

(h) Materials & Contracts

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Materials and Contracts	<u>\$ 24,838,642</u>	<u>\$ 24,353,690</u>	<u>\$ 24,381,082</u>

Materials and Contracts costs have decreased marginally.

(i) Utilities (Gas, Water, Electricity etc.)

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Utilities (Gas, Water, Electricity etc.)	<u>\$ 2,573,840</u>	<u>\$ 2,737,220</u>	<u>\$ 2,582,695</u>

2001/02 Budget "Utilities costs" are, on an overall basis comparable to the 2000/01 Budget, but are lower than 2000/01 Actual costs. The 2001/02 Budget does not include utility costs associated with the Leisure Centres which are now being borne by RANS (these costs were included in the 2000/01 Actuals).

(j) Depreciation on Non Current Assets

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Depreciation on Non Current Assets	<u>\$ 14,334,954</u>	<u>\$ 14,554,617</u>	<u>\$ 13,783,997</u>

Depreciation on Non Current Assets has decreased mainly due to depreciation estimated for Reserves, Roads and Drainage Infrastructure.

3. Operating Revenues and Expenses (notes to operating statements) (Continued)

The change in Net Assets Resulting from Operations for the 2001/2002 year was arrived at after charging the following items of depreciation:

	Estimated 2001/2002 \$
By Class	
Buildings	1,601,087
Computer & Communications Equipment	1,043,036
Furniture & Equipment	96,582
Heavy Vehicles	135,676
Light Vehicles	291,363
Mobile Plant	262,040
Plant & Equipment	88,713
Reserves Infrastructure	1,520,000
Roads Infrastructure	5,510,000
Footpaths Infrastructure	345,000
Drainage Infrastructure	2,150,500
Car Parking Infrastructure	274,500
Other Engineering Infrastructure	465,500
	<u>13,783,997</u>

Depreciation by Programme includes for Roads, Drainage, Footpaths, and Carparking are included under the Transport Programme and \$ 1,520,000 for Reserves under the Recreation and Culture Programme.

	Estimated 2001/2002 \$
By Programme	
Governance	29,070
Law, Order & Public Safety	206,934
Health	16,420
Education & Welfare	182,297
Community Amenities	423,053
Recreation & Culture	2,525,687
Transport	9,869,540
Economic Services	11,991
Other Property and Services	519,005
	<u>13,783,997</u>

3. Operating Revenues and Expenses (notes to operating statements) (Continued)

(k) Council Members Fees, Expenses and Allowances

The following expenses are estimated to be paid to Council Members and the Mayor:

	Estimated 2001/2002 s
Members Allowances	126,000
Members Remuneration	75,000
	<u>\$201,000</u>

Reimbursements

Expenses necessarily incurred by Elected Members in carrying out the functions of their office, or in the performance of an act under express authority of the Council, may be claimed.

Allowances

Telecommunication - \$2000 per annum paid monthly in arrears. Any additional expenses incurred over the \$2,000 annual allowance requires the Elected Member to present invoices for the \$2,000 and the additional amounts.

Travel expenses shall be assessed at the application rate per kilometre as detailed in the Local Government Officer's Award.

Details of other expenses, including telephone call charges (if in excess of the \$2,000 annual allowance) and postage expenses require the Elected Member to present invoices or receipts for the \$2,000 and the additional amounts.

4. Cash flow (notes to Cashflow Statement)

(a) Cashflow Assumptions

The Cashflow statement is based on certain income collection and expenditure payment assumptions.

Rates collections are estimated to be approximately 95% of income, resulting in Rates Debtors at 30 June 2002 to be estimated at \$1,391,573. Trade Debtors at 30 June 2002 are estimated at \$1,167,704. Total Debtors balances as at 30 June 2001 were \$2,955,690.

Projected Payments result in Trade Creditors and Accruals as at 30 June 2002 to be \$4,430,290. Employee entitlements as at 30 June 2002 are estimated to be \$4,312,428.

(b) Non-Cash items

Non-cash items such as income (Contributions from Developers) and expenditure (Depreciation, increases/decreases in Provisions) items are excluded from the cash flow statement.

(c) Fees & Charges

	Budget 2000/2001	Actual 2000/2001	Estimated 2001/2002
Receipts – Fees & Charges	<u>\$ 5,569,387</u>	<u>\$ 3,481,117</u>	<u>\$ 2,411,952</u>

The 2001/2002 Budget estimates a decrease in receipts from Fees & Charges as a result of the Leisure Facilities which are being operated by RANS Management. The reduction in 2000/2001 Actual is due to the Leisure Facilities being transferred during 2000/2001 and performance of the Leisure Centres during the 2000/01 year being lower than budgeted.

(d) Proceeds from Asset Sales

Proceeds from Asset Sales as per the 2001/2002 Motor Vehicle and Plant Replacement programme is \$ 563,163.

(e) Payment for Capital Expenditure

Capital purchases are estimated to occur and to be paid during the course of the 2001/2002 year.

5. Rates and Service Charges - Payment Options

(a) Rates Discount and Incentive scheme.

Council, in accordance with the provisions of Section 6.46 of the Local Government Act 1995, offer the following discount and early payment incentives for the early payment of rates and charges: -

- Full payment of all current and arrears of rates, (including specified area rate) domestic refuse charge and private swimming pool inspection fee inclusive of GST and security charge within 28 days of the issue date on the annual rate notice:-
 - ☺ a 5% discount on 2001/2002 general rates only; and
 - ☺ eligibility to enter the early payment incentive draw which includes a range of prizes sponsored by a number of organisations and thus at no cost to the City.
 - ☺ Prizewinners will be chosen by a computerised random selection process the integrity of which has been authenticated by Council's auditor. Prizewinners will be invited to attend a prizet draw function during which the prizes and prizewinners names are to be drawn.

The 2001/2002 Budget provides for discounts to the total amount of \$ 1,036,784 for the early payment of rates.

(b) Rates Payment Options

The City in accordance with the provisions of section 6.45 of the Local Government Act 1995 offers the following payment options for the payment of rates (including specified area rates), domestic refuse charge, private swimming pool inspection fees inclusive of GST: -

- One Instalment
 - ☺ Payment in full within 28 days of the issue date of the annual rate notice and be eligible for a 5% discount on current general rates only and eligibility to enter the rate incentive scheme for prizes.
 - ☺ Payment in full within 35 days of the issue date of the annual rate notice.

5. Rates and Service Charges - Payment Options (Continued)

- Two Instalments

- ☺ The first instalment of 50% of the total current rates (including special area rates), domestic refuse charge, private swimming pool inspection fee inclusive of GST and instalment charge, plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice.
- ☺ The second instalment of 50% of the total of the current rates, domestic refuse charge, private swimming pool inspection fee inclusive of GST and instalment charge, payable 63 days after due date of first instalment.

- Four Instalments

- ☺ The first instalment of 25% of the total current rates (including special area rates), domestic refuse charge, private swimming pool inspection fee inclusive of GST and instalment charge plus the total outstanding arrears payable within 35 days of date of the issue date of the annual rate notice.
- ☺ The second, third and fourth each of 25% of the total of the current rates (including specified area rates), domestic refuse charge, private swimming pool inspection fee inclusive of GST and instalment charge, payable as follows:
 - 2nd instalment – 63 days after due date of 1st instalment
 - 3rd instalment 63 days after due date of 2nd instalment
 - 4th instalment 63 days after due date of 3rd instalment

The instalment options are subject to an administration fee of \$5.00 for each instalment two, three and four, together with an interest charge at 5.5% per annum, calculated on a simple interest basis on:

Two Instalment Option:

- ☺ 50% of the total current general rate (including specified area rates), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

Four Instalment Option:

An administration fee of \$5.00 for each instalment two, three and four, together with an interest charge of 5.5% per annum, calculated on a simple interest basis on:

- ☺ 75% of the total current general rate (including specified area rate), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

5. Rates and Service Charges - Payment Options (Continued)

- ⊗ 50% of the total current general rate (including specified area rate), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the date of issue of the annual rate
- ⊗ notice to 63 days after the due date of the first instalment to the due date of the second instalment; and
- ⊗ 50% of the total current general rate (including specified area rate), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the date of issue of the annual rate notice to 63 days after the due date of the second instalment to the due date of the third instalment.

Hardship Cases

- ⊗ An administration Fee of \$20.00 per assessment for each payment agreement.

(c) Late Payment Interest

The Council, in accordance with the provisions of Section 6.13 and Section 6.51 of the Local Government Act 1995 imposes interest on all current and arrears general rates (including specified area rate), current and arrears domestic refuse charges, current and arrears private swimming pool inspection fees (inclusive of GST) and arrears of security charges at a rate of 8.95% per annum, calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until instalment is paid. Excluded are deferred rates, instalment amounts not due under the four-payment option, registered pensioner portions and current government pensioner rebate amounts. Such interest to be charged once per month on the outstanding balance on the day of calculation for the number of days as previously detailed.

The 2001/2002 Budget provides for the amount of \$241,474 to be generated from interest charged on outstanding rates.

(d) Domestic Refuse Charges

Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of the Health Act 1911 imposes the following domestic refuse charges for the 2001/2002 financial year:-

1. \$119.00 per existing unit serviced (2000/01 - \$116.00)
2. Additional Service \$130.90 (inclusive of GST)
3. Collection from within the property boundary:
 - Existing Service \$119.00
 - Additional Cost \$41.20 (inclusive of GST)

5. Rates and Service Charges - Payment Options (Continued)

4. New Service \$119.00 + Bin and Delivery \$39.60 (inclusive of GST)
5. Optional Recycling Cart \$84.70 (inclusive of GST)
6. Optional Recycling Cart – sort and collect recycling cart \$35.20 (inclusive of GST)

(e) Private Swimming Pool Inspection Fee

Council, in accordance with the provisions of Section 245A (8) of the Local Government Act 1995, imposes for the 2001/2002 financial year, a Private Swimming Pool Inspection Fee of \$11.00 (inclusive of GST) for each property where there is located a private swimming pool.

(f) Specified Area Rating

Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2001/2002 financial year, a Specified Area Rate of 0.7546 cents in the dollar for the area of Iluka for enhanced landscaping services.

Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2001/2002 financial year, a Specified Area Rate of 1.7584 cents in the dollar for the area of Woodvale Waters for enhanced landscaping services.

Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2001/2002 financial year, a Specified Area Rate of 1.686 cents in the dollar for the area of Harbour Rise for enhanced landscaping services.

6. Fees and Charges Information

In relation to fees and charges imposed by Council and in accordance with Clause 25 of the Local Government (Financial Management) Regulations 1996, an estimate of the total revenue from the fees and charges from each programme are shown below:

	Estimated 2001/2002 \$
By Nature	
Fees & Charges	2,411,952
By Programme	
Law, Order & Public Safety	561,832
Health	62,934
Education & Welfare	93,835
Community Amenities	320,365
Recreation & Culture	616,839
Transport	56,871
Economic Services	577,339
Other Property and Services	121,937
	\$ 2,411,952

The Schedule of Fees and Charges is shown at separately.

7. Service Charges

	Charge	Estimated Revenue 2001/2002 \$	Estimated Net Expenses 2001/2002 \$	Estimated Surplus / (Deficit) \$
Refuse Collection Charge	119	6,211,800	6,011,788	\$ 200,012

A Rubbish Collection Charge is raised to recover the cost of the Waste Collection Service to a total number of 51,600 assessments throughout the City. These costs include the Domestic Refuse Collection, Refuse Bulk Verge Collections and the Recycling Programme.

8. Investments

The 2000/2001 Annual Budget provides for revenue to the amount of \$2,343,585 to be generated from the investment of Council's funds. Interest earnings relating to each specific reserve account are shown in the Schedule of Reserves. It is estimated that interest earnings from Council funds will comprise: -

	Actual 2000/2001 \$	Estimated 2001/2002 \$
General Municipal Funds	1,588,317	1,473,184
Reserve Accounts	676,711	870,401
	\$ 2,265,029	\$ 2,343,585

The following reserves/investments are included in the 2001/2002 Annual Budget:

	Actual 2000/2001 \$	Estimated 2001/2002 \$
Restricted	13,543,822	12,165,543
General Municipal Funds	14,044,329	8,925,112
	\$ 27,588,151	\$ 21,090,655

8. Investments (continued)

The following reserves/investments have restrictions imposed on them by regulations or other externally imposed requirements:

	Actual 2000/2001	Estimated 2001/2002
	\$	\$
Asset Replacement Reserve	6,733,227	3,972,033
Cash in Lieu of Parking Reserve	402,769	392,466
Cash in Lieu of Public Open Space Reserve	674,169	718,856
Domestic Cart – Refuse Collection Reserve	1,136,748	1,447,108
Heavy Vehicle Replacement Reserve	446,943	445,558
Hodges Drive Drainage Reserve	171,633	183,010
Joondalup City Centre Public Parking Reserve	395,709	421,938
Light Vehicle Replacement Reserve	683,260	827,608
Ocean Reef Boat Launching Facility Reserve	49,070	52,323
Performing Arts Facility Reserve	1,000,000	2,066,284
Plant Replacement Reserve	465,592	553,838
Property Surveillance and Security Charge Reserve	362,094	0
Section 20A Land Reserve	27,721	29,558
Special Area Rating - Iluka Reserve	24,797	0
Town Planning Scheme No 10 (Revoked) Reserve	944,522	1,007,129
Wanneroo Bicentennial Trust Reserve	25,568	0
	\$ 13,543,822	\$ 12,165,543

9. Acquisition of Assets

The 2001/2002 Budget provides for the acquisition of the following council assets:

	Estimated 2001/2002 \$
By Class	
Artifacts and Artwork	10,000
Computers and Communication Equipment	688,910
Furniture and Equipment	63,980
Heavy Vehicles	240,000
Light Vehicles	761,494
Mobile Plant	447,821
Plant and Equipment	21,676
Parks and Reserves Infrastructure	200,000
Roads Infrastructure	2,500,000
Footpaths Infrastructure	70,000
Drainage Infrastructure	760,000
Capital Works	17,201,483
	\$ 22,965,364

	Estimated 2001/2002 \$
By Programme	
Law, Order and Public Safety	325,952
Health	38,920
Education and Welfare	37,513
Community Amenities	178,249
Recreation and Culture	2,028,038
Transport	12,200,819
Economic Services	1,561
Other Property and Services	8,154,312
	\$22,965,364

A detailed breakdown of acquisitions on an individual asset basis can be found in the Capital Programme section of this budget.

10. Disposal of Assets

(a) Disposal of Assets

The 2001/2002 Budget provides for the disposal of the following council assets (shown at estimated Written Down Value):

	Estimated 2001/2002 \$
By Class	
Heavy Vehicles	63,389
Light Vehicles	444,334
Plant	141,146
	\$648,869

	Estimated 2001/2002 \$
By Programme	
Law, Order & Public Safety	48,302
Health	820
Education & Welfare	39,403
Community Amenities	98,478
Recreation & Culture	170,082
Transport	225,743
Economic Services	1,639
Other Property and Services	64,403
	\$648,869

(b) Disposal of Assets

A summary by classification is shown below.

Classification	Trade / Selling Price \$	Written Down Value \$	Profit \$	Loss \$
Heavy Vehicles	84,000	63,389	20,611	-
Light Vehicles	399,757	444,334	8,191	(52,769)
Plant	79,406	141,146	1,591	(61,390)
Total	\$ 1,379,515	\$ 648,869	\$ 30,393	\$ (114,159)

11. Reserve Accounts

(a) Asset Replacement Reserve

Created in 2000/2001 to assist with financing various essential assets including a Works Depot. Transfers from Accumulated Surplus includes \$446,306 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	6,339,205	6,733,227
Transfer from Accumulated Surplus	394,022	446,306
Transfer to Accumulated Surplus	-	3,207,500
Closing Balance	\$ 6,733,227	\$ 3,972,033

(b) Cash in Lieu of Parking Reserve

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents funds received from developers in lieu of providing car parking and will be utilised to fund future car parking requirements. Transfers from Accumulated Surplus includes \$26,697 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	376,884	402,769
Transfer from Accumulated Surplus	25,885	26,697
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 402,769	\$ 429,466

(c) Cash in Lieu of Public Open Space Reserve

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents funds received from developers in lieu of providing public open space and will be utilised to fund future public open space requirements. Transfers from Accumulated Surplus includes \$22,066 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	634,720	674,169
Transfer from Accumulated Surplus	39,449	44,687
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 674,169	\$ 718,856

11. Reserve Accounts (Continued)

(d) Domestic Cart - Refuse Collection Reserve

Created in 1990/91 by the former City of Wanneroo to provide for additional plant and equipment used specifically for the provision of the domestic cart refuse collection service. This reserve is maintained by an annual allocation equivalent to the operating surplus achieved by this service. Transfers from Accumulated Surplus includes \$75,348 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	639,961	1,136,748
Transfer from Accumulated Surplus	671,787	310,360
Transfer to Accumulated Surplus	175,000	-
Closing Balance	\$ 1,136,748	\$ 1,447,108

(e) Heavy Vehicle Replacement Reserve

Created in 1996/97 by the former City of Wanneroo to provide for the replacement of Council's fleet of heavy vehicles. This reserve is maintained by an annual allocation of an amount equivalent to the 'capital' charge, which would be charged against all Council works and services on which the vehicles are used. Transfers from Accumulated Surplus includes \$29,625 for interest and \$124,990 for the 'capital charge'. An amount of \$156,000 is transferred from this reserve to undertake purchases during the year.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	516,055	446,943
Transfer from Accumulated Surplus	180,506	154,615
Transfer to Accumulated Surplus	249,615	156,000
Closing Balance	\$ 446,943	\$ 445,558

(f) Hodges Drive Drainage Reserve

Created in 1988/89 by the former City of Wanneroo to finance the provision of drainage at Hodges Drive. Maintained by equal annual allocations from Municipal Fund over the years 1989/90 to 1994/95. Transfers from Accumulated Surplus includes \$ 11,377 for interest.

11. Reserve Accounts (Continued)

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	161,593	171,633
Transfer from Accumulated Surplus	10,040	11,377
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 171,633	\$ 183,010

(g) Joondalup City Centre Public Parking Reserve

Created in 1995/96 by the former City of Wanneroo to accumulate funds received from developers within the Joondalup Central Business District in lieu of providing car parking and will be utilised to fund future car parking requirements. Transfers from Accumulated Surplus includes \$26,229 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	388,501	395,709
Transfer from Accumulated Surplus	23,408	26,229
Transfer to Accumulated Surplus	16,200	-
Closing Balance	\$ 395,709	\$ 421,938

(h) Light Vehicles Replacement Reserve

Created in 1996/97 by the former City of Wanneroo to provide for the replacement of Council's fleet of light vehicles. This reserve is maintained by an annual allocation of an amount equivalent to the 'capital' charge, which would be charged against all Council works and services on which the vehicles are used. Transfers from Accumulated Surplus includes \$45,289 for interest and \$446,796 for the 'capital charge'. An amount of \$347,737 is transferred from this reserve to undertake purchases during the year.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	473,829	683,260
Transfer from Accumulated Surplus	637,620	492,085
Transfer to Accumulated Surplus	428,189	347,737
Closing Balance	\$ 683,260	\$ 827,608

11. Reserve Accounts (Continued)

(i) Ocean Reef Boat Launching Facility Reserve

Created in 1998/99 for the purpose of planning, developing and managing the Ocean Reef Boat Launching Facility precinct, generally comprising the boat launching facility and the adjacent foreshore lands. Transfers from Accumulated Surplus includes \$3,253 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	46,200	49,070
Transfer from Accumulated Surplus	2,870	3,253
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 49,070	\$ 52,323

(j) Performing Arts Facility Reserve

Created in 2000/2001 to assist with the design and development of a regional performing arts facility in the Joondalup City Centre. A \$1,000,000 allocation has been made to this Reserve during the 2001/2002 financial year from Accumulated Surplus. Transfers from Accumulated Surplus includes \$66,284 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	-	\$ 1,000,000
Transfer from Accumulated Surplus	1,000,000	1,066,284
Transfer to Accumulated Surplus	-	-
Closing Balance	\$1,000,000	\$2,066,284

(k) Plant Replacement Reserve

Created to assist with financing of Council's plant and equipment. This reserve is maintained by an annual allocation of an amount equivalent to the 'capital' charge which would be charged against all Council works on which plant is used. Transfers from Accumulated Surplus includes \$30,861 for interest and \$346,000 for the 'capital charge'. An amount of \$288,615 is transferred from this reserve to undertake purchases during the year.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	381,350	465,592
Transfer from Accumulated Surplus	251,218	376,861
Transfer to Accumulated Surplus	166,976	288,615
Closing Balance	\$ 465,592	\$ 553,838

11. Reserve Accounts (Continued)

(l) Property Surveillance and Security Charge Reserve

Created in 2000/2001 to accommodate excess funds from the charge levied for his service. These will be used during 2001/2002 for this service.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	\$ 320,864	362,094
Transfer from Accumulated Surplus	362,094	-
Transfer to Accumulated Surplus	320,864	362,094
Closing Balance	\$362,094	\$nil

(m) Section 20A Land Reserve

Created in 1993/94 by the former City of Wanneroo to comply with the Department of Land Administration Guidelines on the sale of unwanted Section 20A "Public Recreation" reserve land which requires that the proceeds be applied to capital improvements on other recreation reserves in the general locality. Transfers from Accumulated Surplus includes \$1,837 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	26,093	27,721
Transfer from Accumulated Surplus	1,628	1,837
Transfer to Accumulated Surplus	-	-
Closing Balance	\$27,721	\$29,558

(n) Special Area Rating - Iluka Reserve

Created in 2000/2001 to accommodate excess funds from the Special Area Rate for enhanced landscaping services in the Iluka region. These funds will be used in the 2001/2002 financial year for this service.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	46,160	24,797
Transfer from Accumulated Surplus	24,797	-
Transfer to Accumulated Surplus	46,160	24,797
Closing Balance	\$ 24,797	\$nil

11. Reserve Accounts (Continued)

(o) Town Planning Scheme No 10 (Revoked) Reserve

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents residual funds from Town Planning Scheme No 10 (Revoked) and will be utilised on the provision of facilities generally within or in close proximity of the scheme area. Transfers from Accumulated Surplus includes \$62,607 for interest.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	889,247	944,522
Transfer from Accumulated Surplus	55,275	62,607
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 944,522	\$ 1,007,129

(p) Wanneroo Bicentennial Trust Reserve

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. The Trust was established in 1988 to perpetuate the spirit of Australia's Bicentennial celebrations by serving as a source of encouragement of residents of the community who would not otherwise have the resources to progress in their chosen field of endeavour. The award of a grant by the Trust will assist these people in realising their goals and developing their talents to the benefit of the community. The Trust is administered by a Board of Trustees supported by a staff of the City.

	Actual 30 June 01 \$	Estimated 2001/2002 \$
Opening Balance	57,000	25,568
Transfer from Accumulated Surplus	2,358	-
Transfer to Accumulated Surplus	33,790	25,568
Closing Balance	\$ 25,568	\$nil

12. Reconciliation of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, the City of Joondalup considers cash to include cash on hand, and in banks and investments. Cash at the end of the reporting period as shown on the Statement of Cash Flows:

	Actual 2000/2001 \$	Estimated 2001/2002 \$
Cash Advances	4,607	9,928
Investments	26,065,514	21,080,727
	\$26,070,121	\$ 21,090,655

(b) Reconciliation of Net Cash Flow from Operating Activities to Change in Net Assets resulting from Operations

The estimated Statement of Cash Flows for 2001/2002 is as follows:

	Actual 2000/2001 \$	Estimated 2001/2002 \$
Change in Net Assets Resulting from Operations	(1,631,243)	5,002,829
Contribution from Developers for Infrastructure Assets	(4,486,033)	(3,530,000)
Depreciation or Diminution in Value of Fixed Assets	14,554,617	13,783,997
Net (Gain)/Loss on Disposal of Assets	1,046,564	83,766
Transfers to (from) Reserves	2,246,161	(1,378,279)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Debtors	775,986	(64,112)
(Increase)/Decrease in Trade Debtors	(52,744)	92,240
(Increase)/Decrease in Prepayments	(384,226)	5,191
(Increase)/Decrease in Accrued Income	111,873	13,910
(Increase)/Decrease in Stock on Hand	8,840	0
Increase/(Decrease) in Trade Creditors	720,129	(123,198)
Increase/(Decrease) in Sundry Creditors / Accruals	(497,684)	(39,839)
Increase/(Decrease) in Employee Provisions	139,663	46,230
Net Cash from Operating Activities	12,657,391	13,892,735

13. Overdraft/Loan Facilities

The City of Joondalup will not borrow funds during 2001/2002 to undertake works and services.

The City operates with the following bank facilities: -

- 1 City of Joondalup - Municipal Fund
- 2 City of Joondalup - Director Resource Management Advance Account
- 3 City of Joondalup - Trust Fund

An offsetting arrangement exists between above accounts (1-2 inclusive) whereby debit and credit balances are merged and no overdraft charges apply so long as the net amount remains in credit.

A net overdraft facility of \$500,000 applies to the accounts 1-2 inclusive.

14. Major Land Transactions

The City is expecting to acquire land for a depot during the 2001/2002 period which is to be funded from the Asset Replacement Reserve.

During 2000/01 the City established a Performing Arts Facility Reserve and has transferred an amount of \$1,000,000 to fund the future development of a Performing Arts Facility. A further \$1,000,000 has been allocated in 2001/02.

15. Statement of Objectives

Our vision is to:

Be a major regional community for the 21st Century that is:

- An international leader; a trailblazer.
- A sustainable community with a wide range of opportunities for leisure, education, business development and employment.

Create a place where people choose to live:

- A place in balance with the natural environment of coast, lakes, bushland and undulating landscape.
- A safe and healthy place to live.
- A place where people have the opportunity to achieve their potential.
- A place where people have a strong community spirit and sense of belonging.

Create local neighbourhood precincts, which have:

- Their own distinctive character, identity and community spirit.
- Easy access to high quality, local services.
- Neighbourhood design that encourages walking, cycling, jogging - where it's easy to get around and enjoy a healthy lifestyle.

Develop a unique City Center, which is:

- A vibrant, living place filled with people day and night, with employment, entertainment, shopping, restaurants, arts, culture and university life.
- A high technology business environment, taking advantage of leading-edge opportunities to stimulate economic growth.
- A viable alternative to CBD Perth.

"A home close to the coast, with white beaches, cool breezes and stunning sunsets".

15. Statement of Objectives (continued)

In order to discharge its responsibilities to the community, the City of Joondalup has developed a set of guiding principles and critical success factors: -

The Guiding Principles of Elected Members and staff are based on a commitment to:

- Take a leadership role in the community.
- Actively promote effective communication with the community, with opportunities for the community to participate in Council planning and decision making.
- Develop partnerships with the community and other stakeholders creating advantage by working in unison to achieve the vision for the City.
- Value community diversity and harmony.
- Provide excellent customer service, that is friendly, helpful, professional and inspires confidence.
- Be honest, ethical and dedicated and show respect for others.
- Achieve equity and fairness in all we do, focusing on the needs of the community, and striving for continuous improvement.
- Enhancing the reputation of Local Government by being open and accountable.
- Be a dynamic organisation, flexible and innovative, with strong team spirit and acceptance of change.
- Be an organisation which values, recognises and rewards its people.

The Critical Success factors in achieving the vision, mission and guiding principles for the City of Joondalup will be to:

- Enhance strong partnerships with the community, business and other stakeholders.
- Achieve effective public participation.
- Create economic sustainability for the Region.
- Ensure development is in harmony with the environment.
- Harness the potential of the information age.
- Develop a shared community and organisational culture committed to achieving the vision.

The strategic direction for the City of Joondalup has been developed around four Key Result Areas:

1. Leadership
2. Lifestyle
3. Economic Vitality
4. Organisational Culture

16. Principal Activities Plan

All the operating activities prescribed in the Principal Activities Plan have been included and budgeted in the 2001/2002 Budget.

The Principal Activities Plan closing date for public comments was Friday 20 July 2001. The City received one submission from Mr Ron de Gruchy of Sorrento. The submission related to details contained in the draft Principal Activities Plan and had no material impact on the budget.

The published Draft Principal Activities Plan included listings of numerous Capital Expenditures. The following amendments have been made:

- The 2001/02 Budget shows Contributions from Developers as \$3,530,000. This amount has been re-estimated with additional information being available. The draft Principal Activities Plan had estimated such contribution as being \$11,600,000. Contributions from Developers are included in "Operating Revenue" and "Capital Expenditure".
- Additional Capital Works have been undertaken where specific grant funding has been secured.

With the exception of the above, the capital programme submitted in this document is consistent with the Principal Activities Plan.

As a consequence of a Referendum conducted in May 2001, funding for the 2001/02 Safer Community Programme through general rates. In the 2000/01 Safer Community Programme was funded through a Property Surveillance and Security Charge of \$27.