

NOTES TO AND FORMING PART OF THE BUDGET

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1 Significant Accounting Policies

The significant policies that have been adopted in the preparation of these financial statements are:

a) **Basis of Accounting**

These general purpose financial statements have 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. They have been prepared on the accrual basis under the convention of historical cost accounting and include the requirements of Australian Accounting Standard AAS27.

2 The Local Government Reporting Entity

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

b) **Depreciation**

Property, Plant and Equipment (Excluding Infrastructure Assets)

Property, plant and equipment, excluding infrastructure assets are carried at cost. Items of property, plant and equipment, including buildings but excluding freehold land and artworks, are depreciated over their estimated useful lives on a straight-line basis. Depreciation has been charged to the Operating Statement.

Depreciation Rates:

Freehold Land	Nil	Plant	12.5%
Artworks	Nil	Computer Equipment	33.4%
Light Vehicles	7.5%	Furniture & Office Equipment	10.0%
Buildings	2.5%	Other Equipment	10.0%
Heavy Vehicles	10.5%	Computer Software (Over \$10,000)	20.0%

Infrastructure Assets

Reserves and Engineering infrastructure assets acquired prior to 30 June 1997 were brought to account as a non current asset at their estimated depreciated replacement cost at that time, additions subsequent to 30 June 1997 are recorded at cost. Infrastructure Assets acquired by the City from contributions by developers are recorded as additions to assets and the income recorded in the operating statement.

Infrastructure Assets capitalised are depreciated over their estimated useful lives on a straight-line basis from the date of acquisition or, in respect of constructed assets, from the time an asset is completed. Depreciation has been charged to the Operating Statement.

Engineering Infrastructure Assets (roads, footpaths, drains, etc) are depreciated over their estimated useful lives on a straight-line basis and are only depreciated from the commencement of the next financial year.

In accordance with the Local Government (Financial Management Regulations 1996) Section 16, land under roads has not been recognised as an asset in the statement of financial position.

Depreciation Rates:

Reserves

Playground Equipment	10.0%	Reticulation	13.0% - 20.0%
Sports Facilities	10.0% - 20.0%	Park Structures	5.0% - 10.0%
Picnic Facilities	10.0%	Pathways	5.0% - 10.0%
Park Benches	8.0%	Lighting	13.0%
Fencing	5.0% - 10.0%	Oval Development	Nil

Engineering

Roads/Traffic Management	2.0% - 5.0%	Beach Access Ways	2.5% - 10.0%
Drainage	1.25%	Hard court Surfaces	2.5% - 20.0%
Car Parking	2.5%	Bus Shelters	2.0%
Public Access Ways	2.5% - 4.0%	Underpasses/Bridges	1.0% - 10.0%
Footpaths/Bicycle Facilities	2.0% - 4.0%	Joondalup City Lighting	2.0% - 16.0%
Robertson Road Cycleway	2.5% - 16.0%	Ocean Reef Boat Harbour	2.0% - 4.0%

Certain infrastructure assets comprise various components with each component depreciated separately.

c) Rates

The rating and reporting periods coincide. All rates levied for the year are recognised as revenues. All outstanding rates are fully collectable and therefore no provision has been made for doubtful debts. In accordance with the Rates and Charges (Rates and Deferments) Act 1992, the City offers eligible pensioners and seniors the option to defer the payment of rates or to obtain a rebate from the Western Australian State Government.

d) Grants, Donations and Other Contributions

All grants, donations and other contributions have been recognised as revenues when the City obtains control over the assets comprising the contribution. 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.

e) Investments

All investments are valued at cost and interest on those investments is recognised as revenue when accrued.

f) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, 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 leave, long service leave and sick leave (in part for the outside workforce) to be settled within twelve months, are measured at their nominal values in accordance with AAS30.

Provisions made in respect of long service leave which is not expected to be settled within 12 months is measured at its present value of the estimated future cash outflows to be made by the City in respect of services provided by employees up to the reporting date.

g) Superannuation Fund

The City contributes to the Local Government Superannuation Plan with contributions to the fund made by employees. The expense relating to those contributions has been included in the operating statement.

h) Land Held for Resale

Land purchased for development and/or resale is valued at cost. 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 at the time of signing a binding contract of sale.

i) Works in Progress

Major buildings, Reserves and Infrastructure Assets that have not been completed at 30 June have been recorded as works in progress.

j) Crown Land

Crown land set aside as a public road reserve or other public thoroughfare or under the control of a Council under Section 3.53 of the Local Government Act 1995 or vested Crown land under the control of a local government by virtue of the operation of the Land Act or the Town Planning and Development Act has not been brought to account as an asset of the City. This is in accordance with the provisions of AAS27. Improvements or structures placed upon such land have been accounted for as assets of the City.

k) Accounts Payable

Trade Payables and other accounts payable are recognised when the City becomes obliged to make future payments resulting from the purchase of goods and services.

l) Receivables

Trade Receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the Australian Taxation Office. It is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of current assets and current liabilities.

n) Acquisition of Assets

Assets acquired during the year are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

o) Inventories

Inventories are valued at cost.

p) Revaluation of Non Current Assets

The Australian Accounting Standard 38 Revaluation of Non-Current Assets was introduced for reporting periods commencing on or after 1 July 2000. This Accounting Standard requires the City to elect the method of valuing classes of non current assets for the year ending 30 June 2001 and onwards. The City has elected to continue to value its non current assets on a cost basis.

q) Rounding off

All figures shown in these annual financial statements other than a rate-in-the-dollar, are rounded to the nearest dollar.

3 Functions/Activities

a) Statement of major program objectives

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 Councillors 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, which is friendly, helpful, and 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.
- Seeking to improve Local Government and industries related to, or in the Public Sector.
- Be a dynamic organisation, flexible and innovative, with strong team spirit and acceptance of change.
- Create an organisation with 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 an organisational culture committed to achieving the vision.

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

Leadership

Lifestyle

Economic Vitality

Organisational Culture

b) Programme Activities

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

General Purpose Funding

Rates Income and Expenditure, 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.

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.

4 **Operating Revenues and Expenses Classified According to Nature**

	Adopted 2001/2002 \$	Actual 2001/2002 \$	Estimated 2002/2003 \$
<i>Revenues</i>			
Rates	39,587,475	39,234,286	41,095,388
Rates-Specified Area	137,893	149,316	135,194
Government Grants & Subsidies	8,512,750	7,608,637	8,940,075
Contributions, Reimbursements and Donations	4,909,139	4,852,410	5,847,350
Profit on Asset Disposal	30,393	79,016	59,027
Service Charges	6,463,310	6,574,202	0
Fees & Charges	2,411,952	3,112,195	9,595,037
Interest Earnings	2,343,585	1,723,642	1,596,000
Revenue from Other Councils	148,780	144,490	95,275
Total Operating Revenues	64,545,277	63,478,194	67,363,346
<i>Expenses</i>			
Employee Costs	22,380,868	21,902,195	23,182,345
Materials & Contracts	21,347,052	20,080,481	22,208,265
Utilities	2,582,695	2,504,213	2,685,283
Depreciation on Non Current Assets	13,783,997	13,829,395	13,533,845
Loss on Disposal	114,159	86,099	292,865
Insurance Expenses	711,954	667,269	864,164
Other Expenses	0	0	771,990
Total Operating Expenses	60,920,725	59,069,652	63,538,757
Changes in net assets resulting from Operations	3,624,552	4,408,542	3,824,589

5 **Rating and Valuations**

a) Gross Rental Values	2000/2001	2001/2002	2002/2003
Residential Not Improved	15,856,946	13,499,654	13,688,266
Residential Improved	425,521,291	438,860,954	504,814,674
Commercial Improved	85,212,865	87,337,059	100,993,583
Commercial Not Improved	755,875	576,125	613,750
Industrial	7,323,954	7,659,436	7,877,409
Total	534,670,931	547,933,228	627,987,682

b) Unimproved Values	2000/2001	2001/2002	2002/2003
Residential	1,546,393	1,757,000	2,123,000
Rural	28,183,020	28,611,194	28,677,194
Total	43,644,413	30,368,194	30,800,194

c) Minimum rates

A general minimum rate of \$450 (2001/02 \$435) is applied to all properties in the City.

d) Concessions, waivers

No concessions are provided for in this financial year.

e) Instalment options

Ratepayers have the option of paying rates in four equal instalments on:

First instalment	12 September 2002
Second instalment	14 November 2002
Third instalment	16 January 2003
Forth instalment	20 March 2003

f) Instalment fees

An administration fee of \$5.00 (2001/02 \$5.00) for each of the 3 final instalments is charged. Interest of 5.5% is to be charged on instalment options. The revenue for these charges are \$230,213.

g) Discounts, penalties etc.

A discount of 5% applies on 2002/03 general rates only if full payment of all current and arrears of rates (including specified area rates), domestic refuse charge, security charge and private swimming pool inspection fees inclusive of GST within 28 days of the issue date of the annual rate notice. The cost of this option is \$1,036,779.

h) 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 of the annual rate notice:-
 - ☺ a 5% discount on 2002/2003 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.
 - ☺ Prize winners will be chosen by a computerised random selection process the integrity of which has been authenticated by Council's auditor. Prize winners will be invited to attend a prize draw function during which the prizes and prize winners names are to be drawn.

i) 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 charges, 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 (5 September 2002).
 - ☺ Payment in full within 35 days of the issue date of the annual rate notice (12 September 2002).
- 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, instalment charge, plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice (12 September 2002).
 - ☺ 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 (16 January 2003).
- 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, instalment charge plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice (12 September 2002).
 - ☺ The second, third and fourth instalment, each of 25% of the total 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 (14 November 2002)
 - 3rd instalment – 63 days after due date of 2nd instalment (16 January 2003)
 - 4th instalment – 63 days after due date of 3rd instalment (20 March 2003)

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 Instalments:
 - ☺ 50% of the total amount 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 the annual rate notice 63 days after the due date of the first instalment;

- Four Instalments
 - ⊗ 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:
 - ⊗ 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 issue date of the annual rate notice 63 days after the due date of the first instalment;
 - ⊗ 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 1st instalment to the due date of the 2nd 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 of 63 days after the due date of the 2nd instalment to the due date of the third instalment.

j) Special Payment Arrangements

- ⊗ Special monthly or fortnightly payment arrangements can be made with the City for those ratepayers who may be unable to pay in full or according to the instalment plans offered. An administration fee of \$20.00 is charged on all payment arrangements and penalty interest of 8.95% pa is applied to the outstanding balance until the account is paid in full.

k) 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 arrears private swimming pool inspection fees (inclusive of GST) and arrears 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 2002/2003 Budget provides for the amount of \$238,564 to be generated from interest charged on outstanding rates.

l) Domestic Refuse Charges

Council, BY AN ABSOLUTE MAJORITY in accordance with Division 5 of Part IV of the Health Act 1911 (as amended) imposes the following domestic refuse charges for the 2002/2003 financial year:

- \$122.00 per existing unit serviced (2001/02 - \$119.00); and
- Additional services \$130.90 (inclusive of GST)
 - Collection from within the property boundary:

(a) Existing services \$122.00

(b) Additional Cost \$41.20 inclusive of GST.

- New service \$122.00 + Bin and delivery \$39.60 inclusive of GST.
- Optional recycling cart \$84.70 inclusive of GST.
- Optional recycling cart- sort and collect recycling cart \$35.20 inclusive of GST.

m) Private Swimming Pool Inspection Fee

Council, in accordance with the provisions of Section 245A(8) of the Local Government Act 1995 imposes for the 2002/2003 financial year, a Private Swimming Pool Inspection Fee of \$13.75 (inclusive of GST) on those properties owning a private swimming pool.

n) Specified Area Rating

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2002/2003 financial year, a specified area rate of 0.6167 cents in the dollar for the area of Iluka for the purposes of maintaining enhanced landscaping services which will be applied during 2002/03.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2002/2003 financial year, a specified area rate of 1.3319 cents in the dollar for the area of Woodvale Waters for the purposes of maintaining enhanced landscaping services which will be applied during 2002/03.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2002/2003 financial year, a specified area rate of 1.1105 cents in the dollar for the area of Harbour Rise for the purposes of maintaining enhanced landscaping services which will be applied during 2002/03.

o) Schedule of valuations and rate revenue

The schedule of valuations and rate revenue is shown on the "2002/03 Statement of Rating Information".

6 Fees and Charges

The City does not impose a service charge as defined under the Local Government Act 1995.

a) Summary of revenue from fees and charges

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 2002/2003 \$
By Nature	
Fees & Charges	9,539,037
<hr/>	
By Programme	
Law, Order & Public Safety	374,720
Health	153,572
Education & Welfare	23,142
Community Amenities	7,255,923
Recreation & Culture	622,501
Transport	84,228
Economic Services	1,038,393
Other Property and Services	42,557
	<hr/>
	9,595,037
	<hr/>

A Rubbish Collection Charge is raised to recover the cost of the Waste Collection Service to a total number of approximately 51,600 assessments throughout the City. These costs include the Domestic Refuse Collection, Refuse Bulk Verge Collections and the Recycling Program. Income of \$6,551,400 is included within the Fees & Charges and is shown within the Community Amenities Programme. The Schedule of Fees and Charges is shown separately.

7 Contributions/Grants

a) Contributions, Grants and Subsidies

	Budget 2001/2002	Actual 2001/2002	Estimated 2002/2003
Contributions, Grants and Subsidies	\$ 1,379,139	\$ 1,436,508	\$ 965,350
Contributions from Developers for Infrastructure Assets - Parks	\$ 200,000	\$ 55,342	\$ 50,000
Contributions from Developers for Infrastructure Assets – Roads, Drainage, Footpaths and Lighting	\$3,330,000	\$3,360,560	\$4,832,000
Total	<hr/> \$4,909,139	<hr/> \$ 4,852,410	<hr/> \$5,847,350

Contributions and Reimbursements are estimated due to the following:

- Additional distribution from the Mindarie Regional Council of \$300,000.
- During 2002/03 \$ 6,657,500 is budgeted to be transferred from the Asset Replacement Reserve to establish a new Depot.

b) **Operating Grants**

	Budget 2001/2002	Actual 2001/2002	Estimated 2002/2003
Contributions, Grants and Subsidies	\$ 350,592	\$ 341,494	\$ 289,334

8 **Disposal of Assets**

a) **Schedule of disposals**

The 2002/2003 Budget provides for the disposal of the following council assets (shown at estimated WDV):

By Class	Estimated 2002/03 \$
Heavy Vehicles	72,140
Light Vehicles	1,199,224
Plant	108,062
	\$ 1,379,426

b) **Profit/(Loss) on the disposal of assets by program**

By Programme	Estimated 2002/03 \$
Governance	(9,68)
Law, Order & Public Safety	(10,320)
Health	(4,786)
Education & Welfare	2,891
Community Amenities	(32,428)
Recreation & Culture	(87,382)
Transport	(27,752)
Economic Services	(15,761)
Other Property and Services	(48,632)
	(\$ 233,838)

c) **Profit/(Loss) on the disposal of assets by class of asset**

A summary by classification is shown below.

Classification	Trade / Selling Price \$	Written Down Value \$	Net Profit \$	(Loss) \$
Heavy Vehicles	67,273	72,140	22,273	(27,140)
Light Vehicles	957,591	1,199,224	1,246	(242,879)
Plant	115,950	108,062	35,508	(22,846)
Total	\$ 1,140,814	\$ 1,379,426	\$59,027	(\$ 292,865)

9 **Depreciation**

a) **Depreciation on Non Current Assets**

	Budget 2001/02	Actual 2001/02	Estimated 2002/03
Depreciation on Non Current Assets	\$ 13,783,997	\$ 13,829,395	\$ 13,533,845

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

The change in Net Assets Resulting from Operations for the 2002/2003-year was arrived at after charging the following items of depreciation:

By Class	Estimated 2002/03 \$
Buildings	1,601,087
Computer & Communications Equipment	782,463
Furniture & Equipment	98,656
Heavy Vehicles	135,676
Light Vehicles	290,056
Mobile Plant	262,040
Plant & Equipment	98,367
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
	13,533,845

b) Depreciation by Programme

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

	Estimated 2002/03 \$
By Programme	
Governance	61,697
Law, Order & Public Safety	46,144
Health	24,006
Education & Welfare	42,246
Community Amenities	497,887
Recreation & Culture	2,797,176
Transport	9,625,570
Economic Services	7,586
Other Property and Services	431,533
	<hr/> 13,533,845 <hr/>

10 Members Fees and Allowances

a) Council Members Fees, Expenses and Allowances

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

	Estimated 2002/03 \$
Mayoral Meeting Fee	12,000
Elected Member Remuneration	84,000
Mayoral Local Government Allowance	60,000
Deputy Mayoral Local Government Allowance	15,000
Elected Members Telecommunication Allowances	30,000
Mayoral Conference and Training Expenses	10,000
Elected Members Conference Expenses	70,000
Reimbursement for Travel & Child Care	30,000
Reimbursement for other specified expenses	7,500
	<hr/> \$318,500 <hr/>

b) 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.

c) Allowances

Telecommunication - \$2000 per annum paid to be paid monthly in arrears. Any additional expenses incurred over the \$2,000 annual allowance will require 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.

11 Cash at Bank/Investments

a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts.

b) Restricted assets

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

	Actual	Estimated
	2001/02	2002/03
Asset Replacement Reserve	7,034,398	536,898
Cash in Lieu of Parking Reserve	419,551	373,551
Cash in Lieu of Public Open Space Reserve	704,311	726,311
Leisure Centre Capital Improvements Reserve	14,445	14,445
Domestic Cart – Refuse Collection Reserve	2,333,125	2,801,325
Heavy Vehicle Replacement Reserve	578,926	723,091
Hodges Drive Drainage Reserve	179,309	188,309
Joondalup City Centre Public Parking Reserve	455,373	15,818
Light Vehicle Replacement Reserve	924,799	539,133
Ocean Reef Boat Launching Facility Reserve	51,266	53,766
Performing Arts Facility Reserve	2,044,774	3,146,774
Plant Replacement Reserve	563,086	530,568
Property Surveillance and Security Charge Reserve	28,962	30,462
Town Planning Scheme No 10 (Revoked) Reserve	986,539	508,235
Wanneroo Bicentennial Trust Reserve	26,713	0
	\$16,345,577	\$10,188,686

c) **Interest Earnings**

The 2000/2001 Annual Budget provides for revenue to the amount of \$1,506,000 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 2001/02	Estimated 2002/03
General Municipal Funds	\$ 1,006,205	\$ 1,031,000
Reserve Accounts	\$ 604,160	\$ 565,000
	\$ 1,610,365	\$ 1,596,000

12 **Cash Backed Reserves**

a) **Asset Replacement Reserve**

Created in 2000/2001 to assist with financing various essential assets including a Works Depot. Transfers from Accumulated Surplus includes \$160,000 for interest. Additions to this Reserve is through specific budget allocation. Funding from this Reserve is for the acquisition of land and to undertake construction of the Depot Facility.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	6,733,227	7,034,398
Transfer from Accumulated Surplus	301,171	160,000
Transfer to Accumulated Surplus	-	6,657,500
Closing Balance	\$7,034,398	\$536,898

b) **Cash in Lieu of Parking Reserve (Restricted)**

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 \$19,000 for interest. Transfers to Accumulated Surplus is to undertake car parking works during the year.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	402,769	419,551
Transfer from Accumulated Surplus	17,982	19,000
Transfer to Accumulated Surplus	1,200	65,000
Closing Balance	\$419,551	\$373,551

c) **Cash in Lieu of Public Open Space Reserve (Restricted)**

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 \$34,000 for interest. Transfers to Accumulated Surplus is to undertake car parking works during the year.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	674,169	704,311
Transfer from Accumulated Surplus	30,142	34,000
Transfer to Accumulated Surplus	-	12,000
Closing Balance	\$ 704,311	\$726,311

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 \$64,100 for interest. Additions to this Reserve is through repayment of funds advanced to the City of Wanneroo for the Secondary Treatment Plant and through a surplus of funds raised by way of annual charge less amounts expended on this activity during the year.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	1,136,748	2,333,125
Transfer from Accumulated Surplus	1,236,377	468,200
Transfer to Accumulated Surplus	40,000	-
Closing Balance	\$ 2,333,125	\$2,801,325

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 \$25,500 for interest and \$173,665 for the 'capital charge'. An amount of \$55,000 is transferred from this reserve to undertake purchases during the year. Additions to this Reserve is by a capital charge based on the utilisation of the vehicle. The Reserve accounts build up and are used when the items are due for replacement. The amounts required from year to year vary significantly as reflected in the MV & Plant Replacement programme.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	446,943	578,926
Transfer from Accumulated Surplus	190,778	199,165
Transfer to Accumulated Surplus	58,795	55,000
Closing Balance	\$ 578,926	\$723,091

f) Hodges Drive Drainage Reserve (Restricted)

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 \$9,000 for interest. Additions to this Reserve is by specific budget allocation.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	171,633	179,309
Transfer from Accumulated Surplus	7,676	9,000
Closing Balance	\$ 179,309	\$ 188,309

g) Joondalup City Centre Public Parking Reserve (Restricted)

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 \$22,150 for interest. Transfers to Accumulated Surplus is to undertake car parking works during the year.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	395,709	455,373
Transfer from Accumulated Surplus	59,664	22,150
Transfer to Accumulated Surplus	-	461,705
Closing Balance	\$ 455,373	\$ 15,818

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 \$42,500 for interest and \$554,743 for the 'capital charge'. An amount of \$832,909 is transferred from this reserve to undertake purchases during the year. An amount \$150,000 is considered surplus to future replacement requirements and has been transferred from the Reserve and made available for general funding. The amounts required from year to year vary significantly as reflected in the MV & Plant Replacement programme.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	683,260	924,799
Transfer from Accumulated Surplus	468,586	597,243
Transfer to Accumulated Surplus	227,047	982,909
Closing Balance	\$ 924,799	\$ 539,133

i) **Ocean Reef Boat Launching Facility Reserve (Restricted)**

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 \$2,500 for interest. Additions to this Reserve is by specific budget allocation.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	49,070	51,266
Transfer from Accumulated Surplus	2,196	2,500
Transfer to Accumulated Surplus	-	-
Closing Balance	\$ 51,266	\$ 53,766

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 2002/2003 financial year from Accumulated Surplus. Transfers from Accumulated Surplus includes \$102,000 for interest. Additions to this Reserve is by a specific budget allocation.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	1,000,000	\$ 2,044,774
Transfer from Accumulated Surplus	1,044,774	1,102,000
Transfer to Accumulated Surplus	-	-
Closing Balance	\$2,044,774	\$3,146,774

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 \$34,000 for interest and \$320,532 for the 'capital charge'. An amount of \$387,050 is transferred from this reserve to undertake purchases during the year. The amounts required from year to year vary significantly as reflected in the MV & Plant Replacement programme.

	Actual 30 June 02	Budget 2002/2003
	\$	\$
Opening Balance	465,592	563,086
Transfer from Accumulated Surplus	330,693	354,532
Transfer to Accumulated Surplus	233,199	387,050
Closing Balance	\$ 563,086	\$ 530,568

l) Section 20A Land Reserve (Restricted)

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 \$1,500 for interest.

	Actual 30 June 02 \$	Budget 2002/2003 \$
Opening Balance	27,721	28,962
Transfer from Accumulated Surplus	1,241	1,500
Closing Balance	\$28,962	\$30,462

m) Town Planning Scheme No 10 (Revoked) Reserve - (Restricted)

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 \$48,750 for interest. This money can only be spent in the Town Planning Scheme No 10 area (Kingsley) or repaid to the payee. Transfers to Accumulated Surplus of \$527,054 is to undertake capital works within the area during the year.

	Actual 30 June 02 \$	Budget 2002/2003 \$
Opening Balance	944,522	986,539
Transfer from Accumulated Surplus	42,017	48,750
Transfer to Accumulated Surplus	-	527,054
Closing Balance	\$986,539	\$ 508,235

n) Wanneroo Bicentennial Trust Reserve (Restricted)

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 assisted these people in realising their goals and developing their talents to the benefit of the community. The Trust was administered by a Board of Trustees supported by a staff of the City. The Trust was dissolved during 2000/01 and the final distribution is expected to be made during 2002/03 to the Carine Rotary Club for its Dolphin Wishing Well Project.

	Actual 30 June 02 \$	Budget 2002/2003 \$
Opening Balance	25,568	26,713
Transfer from Accumulated Surplus	1,145	-
Transfer to Accumulated Surplus	-	26,713
Closing Balance	\$ 26,713	\$nil

13 Non Current Assets

a) Capital works by class of asset

Acquisition of Assets

The 2002/2003 Budget provides for the acquisition of the following council assets:

	Estimated 2002/03 \$
Artifacts and Artwork	10,000
Computers and Communication Equipment	746,344
Furniture & Equipment	72,500
Heavy Vehicles	80,000
Light Vehicles	1,677,500
Mobile Plant	513,000
Plant & Equipment	36,660
Parks and Reserves Infrastructure	50,000
Roads Infrastructure	3,500,000
Footpaths Infrastructure	112,000
Drainage Infrastructure	1,020,000
Capital Works	24,421,524
	<hr/> \$ 32,439,528 <hr/>

b) Capital Works by Class of Programme

	Estimated 2002/03 \$
By Programme	
General Purpose Funding	82,222
Law, Order & Public Safety	1,139,636
Health	305,168
Education & Welfare	943,187
Community Amenities	1,738,877
Recreation & Culture	6,164,564
Transport	10,328,449
Economic Services	95,260
Other Property and Services	11,642,166
	<hr/> \$ 32,439,528 <hr/>

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

14 Loan Facilities

a) Credit Standby Arrangements

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.

b) Loan Debentures Issued

The City of Joondalup will not borrow funds during 2002/2003 to undertake works and services.

15 Business/Trading Undertakings

The City does not operate trading or business operations as specified under the Local Government Act 1995.

a) Major Land Transactions

The City is expecting to acquire land for a depot during the 2002/2003 period which is to be funded from the Asset Replacement Reserve. A total estimated cost of \$6,657,500 has been included in the Budget for this purpose.

16 Principal Activities Plan

The Draft 2002/03 to 2006/07 Principal Activities Plan was made available for public consideration and comment on 25 May 2002. All the operating activities prescribed in the Principal Activities Plan have been included and budgeted for in the 2002/2003 Budget.

The Principal Activities Plan closing date for public comments was 6 July, 2002. The City received four submissions from members of the public that were considered by the Budget Committee.

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

- Inclusion of \$500,000 for the operations of the Leisure facilities previously operated by the RANS Management Group Pty Ltd which went into administration on 12 June 2002. The City has taken over the management of those centres.
- The Budget Committee considered the Capital Works programme and made a number of amendments to the programme.
- The Budget Committee considered the Proposals and made a number of amendments to the programme

17 Determination of Opening Funds

SUMMARY OF CURRENT ASSETS - CURRENT LIABILITIES AS AT 30 JUNE 2002	\$	\$
Current Assets		
(a) Rates Debtors	1,713,898	
Pensioner Rates Deferred	(855,266)	
Private Swimming Pools Fees	2,268	
Domestic Refuse Charge	96,623	
Cash Advances	4,680	
Sundry Debtors	773,586	
Less Provision for Sundry Debtors	(58,662)	
Accrued Income	759,548	
Cash at Bank and Investments	29,780,349	
Goods and Services Tax	445,133	
Stock on Hand	7,009	
Prepayments	173,384	
Closing Position - Current Assets	(435,145)	32,407,405
Less : Current Liabilities		
(b) Trade Creditors	2,124,766	
Sundry Creditors	1,357,359	
Accrued Expenses	1,047,994	
Goods and Services Tax	65,870	
Provision for Annual Leave	2,123,990	
Provision for Long Service Leave	1,456,846	
Provision for Sick Leave	58,056	
Provision for Workers Compensation Insurance	277,396	
Closing Position - Current Liabilities		8,512,277
Net Current Assets (Asset less Liabilities)		23,895,128
Less: Restricted Assets - Reserves	16,345,577	16,345,577
Surplus Carried Forward at 30 June 2002		7,549,551
Less:		
Carried Forward Works - Estimated	4,830,854	
Carried Forward Projects - Estimated	631,431	5,462,285
Available Surplus Carried Forward at 30 June 2002	\$	2,087,266