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1 2002/03 Actual Comparatives

The 2002/03 actual comparatives as shown are estimates made as at 18 July 2003. The actual results will not be confirmed until the City has had its financial statements audited for the year ending 30 June 2003.

2 Significant Accounting Policies

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

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.

3 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.

a) 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

Parks 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.

b) 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.

c) 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.

d) Investments

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

e) Employee Entitlements

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

Provisions made in respect of annual leave and long service leave 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.

f) 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.

g) 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.

h) Works in Progress

Major buildings, parks and infrastructure assets that have not been completed at 30 June have been recorded as works in progress.

i) 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.

j) 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.

k) Receivables

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

l) 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.

m) 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.

n) Inventories

Inventories are valued at cost.

o) 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.

p) Rounding off

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

4 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. Our decisions will be guided by a number of underlying principles. These principles have been developed to guide the City's decision making.

Community

- We will work in partnership with our community to build capacity, and develop community ownership and identity.
- We will respect community diversity, and work to develop equity and understanding within our community.

Sustainability

- We will provide an integrated environmental, social and economic approach to all our activities
- We will focus on improving quality of life for current and future residents and ratepayers

Best Value

- We will provide value for money with our quality services
- We will use the most efficient and effective processes to continuously improve our delivery of services and programs

Leadership through Partnerships and Networks

- We will develop partnerships and networks throughout the community
- We will develop a supportive and trusting relationship with our community
- Flexibility in service delivery
- We will be flexible in our planning to accommodate changing circumstances and needs of our community
- We will be flexible in our delivery of a range of services and programs.

People Management

- We will invest in best practice workforce management
- We will encourage employee commitment and innovation.

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

1. Community Wellbeing
2. Caring for the Environment
3. City Development
4. Organisational Development

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.

Governance

Governance relates to elected members costs only. All other governance related activities in areas such as Council Support, Administration, Finance and Information Management 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, immunisation 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 and senior citizens support groups. 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. 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 and salaries and wages. 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.

5 Operating Revenues and Expenses Classified According to Nature

	Budget 2002/2003 \$	Actual 2002/2003 \$	Budget 2003/2004 \$
<u>Revenues</u>			
Rates	40,626,611	40,309,311	42,698,866
Rates-Specified Area	135,194	158,106	151,604
Government Grants & Subsidies	8,557,602	6,309,122	6,816,376
Contributions, Reimbursements and Donations	6,229,823	8,508,134	11,056,326
Profit on Asset Disposal	59,027	69,447	59,078
Fees & Charges	10,063,814	12,513,241	12,674,563
Interest Earnings	1,596,000	2,053,424	2,230,600
Revenue from Other Councils	95,275	121,907	112,000
Total Operating Revenues	67,363,346	70,042,693	75,799,413
<u>Expenses</u>			
Employee Costs	23,182,345	24,481,175	26,039,975
Materials & Contracts	22,208,265	22,204,279	24,055,383
Utilities	2,685,283	2,826,081	2,937,850
Depreciation on Non Current Assets	13,533,845	13,270,339	14,335,096
Loss on Disposal	292,865	303,322	251,684
Insurance Expenses	864,164	833,822	941,559
Other Expenses	771,990	821,841	20,000
Total Operating Expenses	63,538,757	64,740,859	68,581,547
Changes in net assets resulting from Operations before Reserve Transfers	3,824,589	5,301,834	7,217,866

6 Rating and Valuations

a) Gross Rental Values	2001/2002 Budget \$	2002/2003 Actual \$	2003/2004 Budget \$
Residential Improved	438,860,954	504,814,674	513,771,611
Residential Not Improved	13,499,654	13,688,266	13,586,647
Commercial Improved	87,337,059	100,993,583	100,006,320
Commercial Not Improved	576,125	613,750	642,500
Industrial	7,659,436	7,877,409	8,267,752
Total	547,933,228	627,987,682	636,274,830

b) Unimproved Values	2001/2002 Budget \$	2002/2003 Actual \$	2003/2004 Budget \$
Residential	1,757,000	2,123,000	2,248,000
Rural	28,611,194	28,677,194	28,693,194
Total	30,368,194	30,800,194	30,941,194

c) Minimum payments

A general minimum payment of \$461 (2002/03 \$450) is applied to all rateable properties.

Concessions, waivers

No concessions are provided for in this financial year.

Instalment options

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

First instalment	18 September 2003
Second instalment	20 November 2003
Third instalment	22 January 2004
Fourth instalment	25 March 2004

Instalment fees

An administration fee of \$6.00 (2002/03 \$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 estimated at \$237,120.

Discounts, penalties etc.

A discount of 5% applies on 2003/04 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 to the City is \$1,155,000.

Rates Discount and Incentive scheme.

Council, in accordance with the provisions of Section 6.46 of the Local Government Act 1995, offers 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 **2003/2004** 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.

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 (11 September 2003).
 - Payment in full within 35 days of the issue date of the annual rate notice (18 September 2003).
- Two Instalments
 - The first instalment of 50% of the total current rates (including specified 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 (18 September 2003).
 - 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 (20 November 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 (18 September 2003).
 -
 - 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 (20 November 2003)
 - 3rd instalment – 63 days after due date of 2nd instalment (22 January 2004)
 - 4th instalment – 63 days after due date of 3rd instalment (25 March 2004)

Instalment Charges and calculation of Interest

The instalment options are subject to an administration fee of \$6.00 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 current general rate (including specified area rates), domestic refuse charge and private swimming pool inspection to 63 days after the due date of the first instalment;

- **Four Instalments**

- An administration fee of \$6.00 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 to 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 due date of the first instalment to the due date of the second instalment; and
- 25% 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 due date of the second instalment to the due date of the third instalment.

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 \$22.00 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.

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 (including 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 after 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 is to be charged once per month on the outstanding balance on the day of calculation for the number of days.

The **2003/2004** Budget provides for the amount of \$247,720 to be generated from interest charged on outstanding rates.

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 **2003/2004** financial year:

- \$126.00 per existing unit serviced (2002/03 - \$122.00); and
- Additional services \$138.60 (inclusive of GST)
- Collection from within the property boundary:

(a) Existing services \$126.00

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

- New service \$126.00 + 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.

Private Swimming Pool Inspection Fee

Council, in accordance with the provisions of Section 245A(8) of the Local Government Act 1995 imposes for the **2003/2004** financial year, a private swimming pool inspection fee of \$13.75 (inclusive of GST) on those properties owning a private swimming pool.

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 **2003/2004** financial year, a specified area rate of 0.52827 cents in the dollar for the area of Iluka for the purposes of maintaining enhanced landscaping services which will be applied during 2003/04.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the **2003/2004** financial year, a specified area rate of 1.3217 cents in the dollar for the area of Woodvale Waters for the purposes of maintaining enhanced landscaping services which will be applied during 2003/04.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the **2003/2004** financial year, a specified area rate of 1.0806 cents in the dollar for the area of Harbour Rise for the purposes of maintaining enhanced landscaping services which will be applied during 2003/04.

Schedule of valuations and rate revenue

The schedule of valuations and rate revenue is shown on the "2003/04 Statement of Rating Information".

7 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:

	Budget 2003/2004 \$
By Nature	
Fees & Charges	<u>12,674,563</u>
By Programme	
General Purpose Funding	484,840
Law, Order & Public Safety	409,291
Health	280,739
Education & Welfare	36,279
Community Amenities	7,846,859
Recreation & Culture	2,306,950
Transport	128,079
Economic Services	1,140,138
Other Property and Services	41,3898
	<u>12,674,563</u>

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.

8 Contributions/Reimbursements

a) Contributions, Reimbursements and Donations

	Budget 2002/2003 \$	Actual 2002/2003 \$	Budget 2003/2004 \$
Operating - Contributions, Reimbursements and Donations	<u>964,350</u>	<u>1,066,295</u>	<u>976,326</u>
Non Operating - Contributions, Reimbursements and Donations:			
Contributions, Reimbursements and Donations	383,473	1,066,865	5,240,000
Contributions from Developers for Infrastructure Assets - Parks	50,000	259,540	120,000
Contributions from Developers for Infrastructure Assets – Roads, Drainage, Footpaths and Lighting	4,832,000	6,115,434	4,170,000
Contributions from Developers for Infrastructure Assets - Buildings			550,000
Total – Non Operating Contributions, Reimbursements and Donations:	<u>5,265,473</u>	<u>7,441,839</u>	<u>10,080,000</u>
Total - Contributions, Reimbursements and Donations:	<u>6,229,823</u>	<u>8,508,134</u>	<u>11,056,326</u>

Contributions and Reimbursements are estimated due to the following:

- Additional distribution from the Mindarie Regional Council of \$280,000.
- Council receives infrastructure assets including parks, roads and drainage from developers. The timing and value of the assets are not accurately known and are estimated for 2003/04 budget purposes.

9 Disposal of Assets

a) Schedule of disposals

The **2003/2004** Budget provides for the disposal of the following council assets (shown at estimated WDV):

	Budget 2003/2004 \$
By Class	
Heavy Vehicles	26,961
Light Vehicles	750,709
Plant	107,947
	<hr/> 885,617 <hr/>

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

	Budget 2003/2004 \$
By Programme	
General Purpose Funding	0
Governance	(1,702)
Law, Order & Public Safety	(24,648)
Health	(7,383)
Education & Welfare	248
Community Amenities	620
Recreation & Culture	(85,241)
Transport	(27,920)
Economic Services	(3,200)
Other Property and Services	(43,382)
	<hr/> (192,608) <hr/>

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	15,000	26,961	0	(11,961)
Light Vehicles	565,209	750,709	7,822	(193,322)
Plant	112,800	107,947	51,256	(46,403)
Total	693,009	885,617	59,078	(251,686)

10 Depreciation

b) Depreciation on Non Current Assets

	Budget 2002/03 \$	Actual 2002/03 \$	Budget 2003/2004 \$
Depreciation on Non Current Assets	13,533,845	13,270,339	14,335,096

Depreciation on non current assets has increased mainly due to depreciation estimated for reserves, roads and drainage infrastructure.

The change in net assets resulting from operations for the **2003/2004** year was arrived at after charging the following items of depreciation:

By Class	Budget 2003/2004 \$
Buildings	1,650,000
Computer & Communications Equipment	444,684
Furniture & Equipment	78,624
Heavy Vehicles	133,260
Light Vehicles	278,580
Mobile Plant	287,520
Plant & Equipment	66,428
Reserves Infrastructure	1,727,000
Roads Infrastructure	6,366,000
Footpaths Infrastructure	409,000
Drainage Infrastructure	2,183,000
Car Parking Infrastructure	268,000
Other Engineering Infrastructure	443,000
	14,335,096

c) 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 programme.

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By Programme

Governance	26,501
Law, Order & Public Safety	37,835
Health	11,922
Education & Welfare	30,742
Community Amenities	504,063
Recreation & Culture	2,482,742
Transport	10,821,826
Economic Services	24,943
Other Property and Services	394,522

14,335,096

11 Members Fees and Allowances

The following allowances, fees and expenses are paid to elected members and/or the mayor in accordance with Council policy 2.2.13.

	Budget 2003/04 \$	
Mayor		
Mayoral Allowance	15,000	
Mayoral Meeting Fee	12,000	
Telecommunications Allowance	2,000	29,000
Deputy Mayor		
Deputy Mayoral Allowance	15,000	
Deputy Mayoral Meeting Fee	6,000	
Telecommunications Allowance	2,000	23,000
Elected Members		
Meeting Fees (13 x \$6,000 each)	78,000	
Telecommunications Allowance (13 @ \$2,000pa)	26,000	104,000
Other Expenses		
Conferences and Training Expenses	80,000	
Reimbursement for Travel and Child Care	30,000	
Reimbursement for other Specified Expenses	7,500	117,500
TOTAL		273,500

a) Mayoral Allowance and Meeting Fee

In accordance with the section 5.98 (5)(b) of the Local Government Act 1995 and Regulation 33 (1)(b)(ii) of the Local Government (Administration) Regulations 1996, Council has set the 2003/04 mayoral allowance at \$60,000 per annum however the Mayor has requested this to be reduced to \$15,000 per annum.

In accordance with Section 5.98 (1)(b) of the Local Government Act 1995 and Regulation 30 (3)(b) of the Local Government (Administration) Regulations 1996, Council has set the 2003/04 mayoral meeting fee at \$12,000 per annum.

b) Deputy Mayoral Allowance and Meeting Fee

In accordance with the section 5.98A (1) of the Local Government Act 1995 and Regulation 33A of the Local Government (Administration) Regulations 1996, Council has set the 2003/04 deputy mayoral allowance at \$15,000 per annum.

In accordance with Section 5.98 (1)(b) of the Local Government Act 1995 and Regulation 30 (3)(b) of the Local Government (Administration) Regulations 1996, Council has set the 2003/04 deputy mayoral meeting fee at \$6,000 per annum.

c) Councillors' Meeting Fees

In accordance with the section 5.98A (1) of the Local Government Act 1995 and Regulation 30 (3)(b) of the Local Government (Administration) Regulations 1996, Council has set the 2003/04 elected members meeting fee at \$6,000 per annum.

d) Telecommunications Allowance

In accordance with Council policy 2.2.13 Council resolved to pay all elected members an annual telecommunications allowance of \$2,000. The annual telecommunication allowance is for costs relating to Council provided mobile telephone and facsimile machine and call costs incurred relating to Council business on a personal telephone/facsimile machine. Elected members claiming expenses over the \$2,000 annual telecommunication allowance must be supported by receipted invoices for the \$2,000 and the additional amounts claimed.

e) Other Expenses

Elected members are entitled to reimbursement for other expenses incurred as prescribed under Council policy 2.2.13.

12 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 2002/03 \$	Budget 2003/2004 \$
Asset Replacement Reserve	7,163,348	6,255,348
Cash in Lieu of Parking Reserve	363,874	380,874
Cash in Lieu of Public Open Space Reserve	832,339	866,839
Community Facilities Reserve	-	329,000
Computer Equipment Replacement Reserve	-	-
Domestic Cart – Refuse Collection Reserve	2,724,138	1,789,238
Heavy Vehicle Replacement Reserve	710,481	848,251
Hodges Drive Drainage Reserve	187,309	196,309
Joondalup City Centre Public Parking Reserve	52,022	41,109
Joondalup Normalisation Agreement Reserve	-	-
Leisure Centre Capital Improvements Reserve	14,445	7,164,445
Library Literacy Program Reserve	1,162	1,162
Light Vehicle Replacement Reserve	638,684	518,516
Ocean Reef Boat Launching Facility Reserve	53,491	55,991
Performing Arts Facility Reserve	3,135,459	561,265
Plant Replacement Reserve	708,378	624,358
Rate Revaluation Reserve	-	65,000
Section 20A Land Reserve	30,292	31,792
Special Area Rate – Iluka Reserve	5,330	-
Special Area Rate – Harbour Rise Reserve	28,336	-
Town Planning Scheme No 10 (Revoked) Reserve	773,967	293,661
Wanneroo Bicentennial Trust Reserve	12,500	-
	17,435,555	20,023,158

Interest Earnings

The 2003/2004 annual budget provides for revenue to the amount of \$2,230,600 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 2002/03 \$	Budget 2003/2004 \$
General Municipal Funds	1,031,000	1,486,100
Reserve Accounts	565,000	744,500
	1,596,000	2,230,600

13 Cash Backed Reserves

Asset Replacement Reserve

Created in 1986/87 to assist with financing various essential assets including a works depot. Transfers from accumulated surplus include interest. Additions to this reserve are through specific budget allocation. Funding from this reserve is to undertake construction of the depot facility.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	7,034,398	7,163,348
Transfer from Accumulated Surplus	142,250	279,000
Transfer to Accumulated Surplus	13,300	1,187,000
Closing Balance	7,163,348	6,255,348

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 include interest.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	419,551	363,874
Transfer from Accumulated Surplus	16,890	17,000
Transfer to Accumulated Surplus	72,567	-
Closing Balance	363,874	380,874

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 include interest.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	704,311	832,339
Transfer from Accumulated Surplus	139,028	34,500
Transfer to Accumulated Surplus	11,000	-
Closing Balance	832,339	866,839

Community Facilities Reserve

Created in 2003/04 for the purpose of funding the construction, development and maintenance of community facilities. The reserve was established with funds previously carried forward in respect to the construction of the Currambine community facility. Transfers from accumulated surplus include interest. Transfers to accumulated surplus are to undertake preliminary work for the Currambine community facility. An amount of \$500,000 has been transferred to the Leisure Centres Capital Improvements reserve.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	844,000
Transfer to Accumulated Surplus	-	515,000
Closing Balance	-	329,000

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 include 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. An amount of \$1,670,000 has been transferred to the Leisure Centres Capital Improvements Reserve.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	2,333,125	2,724,138
Transfer from Accumulated Surplus	391,013	735,100
Transfer to Accumulated Surplus	-	1,670,000
Closing Balance	2,724,138	1,789,238

Heavy Vehicle Replacement Reserve

Created in 1996/97 by the former City of Wanneroo to provide for the replacement of Council's fleet of 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 include interest and for the 'capital charge'. Transfers from this reserve are to undertake purchases during the year. Additions to this reserve are 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 annually as reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	578,926	710,481
Transfer from Accumulated Surplus	183,248	197,770
Transfer to Accumulated Surplus	51,693	60,000
Closing Balance	710,481	848,251

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 include interest. Additions to this Reserve are by specific budget allocation.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	179,309	187,309
Transfer from Accumulated Surplus	8,000	9,000
Transfer to Accumulated Surplus	-	-
Closing Balance	187,309	196,309

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 include interest. Transfers to accumulated surplus are to undertake car park works during the year.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	455,373	52,022
Transfer from Accumulated Surplus	35,895	7,000
Transfer to Accumulated Surplus	439,246	17,913
Closing Balance	52,022	41,109

Joondalup Normalisation Agreement Reserve

Created in 2003/04 to undertake works not completed by Landcorp. Transfers from accumulated surplus include interest. Transfers to Accumulated Surplus are to reimburse the City for past works undertaken, for the purchase of land associated for the depot facilities and to undertake works within the central business district. An amount of \$1,980,000 has been transferred to the Leisure Centres Capital Improvements reserve.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	5,240,000
Transfer to Accumulated Surplus	-	5,240,000
Closing Balance	-	-

Leisure Centre Capital Replacement Reserve

Created in 2001/02 with the outsourcing of the Craigie leisure centre, Ocean Ridge recreation centre and Sorrento/Duncraig recreation centre to the RANS Management Group to undertake future refurbishment works. Transfers from accumulated surplus include \$600,000 municipal funds, \$500,000 from Community Facilities reserve, \$1,670,000 from Domestic Cart Refuse reserve, \$1,980,000 from Normalisation Agreement reserve and \$2,400,000 from Performing Arts Facility reserve.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	14,445	14,445
Transfer from Accumulated Surplus	-	7,150,000
Transfer to Accumulated Surplus	-	-
Closing Balance	14,445	7,164,445

Library Literacy Program Reserve

Created in 2002/03 with proceeds from the sale of donated and surplus library books with such funds to be used for the development of literacy programs to be held at the City's libraries in future years. Transfers from accumulated surplus include interest and funds from the sale of donated and surplus library books.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	1,162
Transfer from Accumulated Surplus	1,162	-
Transfer to Accumulated Surplus	-	-
Closing Balance	1,162	1,162

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 interest and for the 'capital charge'. Transfers from this reserve are to undertake purchases during the year. The amount required from year to year varies significantly as reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	924,799	638,684
Transfer from Accumulated Surplus	489,038	573,060
Transfer to Accumulated Surplus	775,153	693,228
Closing Balance	638,684	518,516

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 include interest. Additions to this reserve are by specific budget allocation.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	51,266	53,491
Transfer from Accumulated Surplus	2,225	2,500
Transfer to Accumulated Surplus	-	-
Closing Balance	53,491	55,991

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 \$670,806 allocation has been made to this reserve during the **2003/2004** financial year from accumulated surplus. Transfers from accumulated surplus include interest. Additions to this Reserve are by a specific budget allocation. An amount of \$2,400,000 has been transferred to the Leisure Centres Capital Improvements reserve.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	2,044,774	3,135,459
Transfer from Accumulated Surplus	1,090,685	825,806
Transfer to Accumulated Surplus	-	3,400,000
Closing Balance	3,135,459	561,265

Plant Replacement Reserve

Created in 1996/97 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 that would be charged against all Council works on which plant is used. Transfers from accumulated surplus includes interest and for the 'capital charge'. Transfers from this reserve are to undertake purchases during the year. The amounts required from year to year vary significantly as reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	563,086	708,378
Transfer from Accumulated Surplus	328,382	339,000
Transfer to Accumulated Surplus	183,000	423,020
Closing Balance	708,378	624,358

Rates Revaluation Reserve

Created in 2003/04 to assist with financing the costs associated with the triennial general property revaluation undertaken by the Valuer General. This reserve is maintained by an annual allocation. Transfers from accumulated surplus include interest.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	65,000
Transfer to Accumulated Surplus	-	-
Closing Balance	-	65,000

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 that requires that the proceeds be applied to capital improvements on other recreation reserves in the general locality. Transfers from accumulated surplus include interest.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	28,962	30,292
Transfer from Accumulated Surplus	1,330	1,500
Transfer to Accumulated Surplus	-	-
Closing Balance	30,292	31,792

Special Area Rate – Harbour Rise Reserve

Transfers from accumulated surplus include interest. Transfers are to fund works undertaken in the special area Harbour Rise.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	28,336
Transfer from Accumulated Surplus	28,336	-
Transfer to Accumulated Surplus	-	28,336
Closing Balance	28,336	-

Special Area Rate – Iluka Reserve

Transfers from accumulated surplus include interest. Transfers are to fund works undertaken in the special area Iluka.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	-	5,330
Transfer from Accumulated Surplus	5,330	-
Transfer to Accumulated Surplus	-	5,330
Closing Balance	5,330	-

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 include 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 are to undertake capital works within the area during the year.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	986,539	773,967
Transfer from Accumulated Surplus	43,345	26,000
Transfer to Accumulated Surplus	255,917	506,306
Closing Balance	773,967	293,661

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, and supported by staff of the City. The Trust was dissolved during 2000/01 and the final distribution is expected to occur during 2003/04 to the Carine Rotary Club for its Dolphin Wishing Well project.

	Actual 30 June 03 \$	Budget 2003/2004 \$
Opening Balance	26,713	12,500
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	14,213	12,500
Closing Balance	12,500	-

14 Non Current Assets

a) Capital works by class of asset

Acquisition of Assets

The 2003/2004 Budget provides for the acquisition of the following council assets:

	Budget 2003/04 \$
Artifacts and Artwork	20,000
Computers and Communication Equipment	487,865
Furniture & Equipment	131,500
Heavy Vehicles	75,000
Light Vehicles	1,254,314
Mobile Plant	535,820
Plant & Equipment	65,856
Capital Works	24,783,923
	<hr/> 27,354,278 <hr/>

b) Capital Works by Class of Programme

	Budget 2003/04 \$
By Programme	
General Purpose Funding	41,000
Law, Order & Public Safety	230,473
Health	47,297
Education & Welfare	38,318
Community Amenities	1,230,573
Recreation & Culture	10,309,494
Transport	14,897,967
Economic Services	40,094
Other Property and Services	519,062
	<hr/> 27,354,278 <hr/>

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

15 Loan Facilities

a) Credit Standby Arrangements

The City operates with the following bank facilities: -

City of Joondalup - Municipal Fund

City of Joondalup - Director Corporate Services and Resource Management Advance Account

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 2003/04 to undertake works and services.

16 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 during the **2003/2004** period which is to be funded from the Normalisation Agreement reserve and the Performing Arts reserve. An estimated cost of \$2,800,000 to purchase land for the works depot and \$1,000,000 for the performing arts facility has been included in the budget for this purpose.

17 Principal Activities Plan

The Draft 2003/04 to 2007/08 Principal Activities Plan was made available for public consideration and comment on 31 May 2002. All the operating activities prescribed in the Principal Activities Plan have been included and budgeted for in the **2003/2004** budget.

The Principal Activities Plan closing date for public comments was 14 July 2003. The City received three submissions from members of the public that were considered by the Budget Committee.

The published Draft Principal Activities Plan included listings of numerous capital expenditures. Amendments have been made in the following areas:

- The Budget Committee considered and made amendments to the operational income and expenditure, capital works, corporate projects and proposals following the issue of the draft Principal Activities Plan.
- The redevelopment of the Craigie leisure centre project is estimated to cost \$8.1m. Anticipated expenditure for this project is \$948,453 in 2003/04 and \$7,150,000 in 2004/05.

18 Determination of Opening Funds

SUMMARY OF CURRENT ASSETS - CURRENT LIABILITIES AS AT 30 JUNE 2003	\$	\$
Current Assets		
Rates Debtors	1,400,859	
Pensioner Rates Deferred	(907,956)	
Private Swimming Pools Fees	1,710	
Domestic Refuse Charge	74,843	
Cash Advances	9,780	
Sundry Debtors	812,802	
Less Provision for Sundry Debtors	(36,002)	
Accrued Income	284,479	
Cash at Bank and Investments	31,809,329	
Goods and Services Tax	483,332	
Stock on Hand	1,406	
Prepayments	156,302	
Closing Position - Current Assets		34,090,884
Less: Current Liabilities		
Trade Creditors	2,261,056	
Sundry Creditors	1,436,773	
Accrued Expenses	1,005,649	
Goods and Services Tax	93,322	
Provision for Annual Leave	2,160,551	
Provision for Long Service Leave	1,605,837	
Provision for Sick Leave	45,750	
Provision for Workers Compensation Insurance	527,937	
Closing Position - Current Liabilities		9,136,875
Net Current Assets (Asset less Liabilities)		24,954,009
Less: Restricted Assets -		
Reserves	17,435,555	
Unspent Government Grants (Operating)	14,150	17,449,705
Surplus Carried Forward at 30 June 2003		7,504,304
Less:		
Carried Forward Works - estimated	1,779,253	
Carried Forward Corporate Projects – Transferred to Reserves	2,268,433	
Carried Forward Corporate Projects – estimated	844,000	
Carried Forward Projects – estimated	676,948	
Unspent Government Grants (Capital)	182,081	5,750,715
Available Surplus Carried Forward at 30 June 2003		1,753,589