

NOTES TO AND FORMING PART OF THE BUDGET

1	2003/04 Actual Comparatives.....	1
2	Significant Accounting Policies.....	1
3	The Local Government Reporting Entity.....	1
4	Functions/Activities.....	5
5	Operating Revenues and Expenses Classified According to Nature.....	7
6	Rating and Valuations.....	7
7	Fees and Charges.....	12
8	Contributions/Reimbursements.....	13
9	Disposal of Assets.....	13
10	Depreciation.....	14
11	Commissioners' Remuneration.....	16
12	Members' Fees and Allowances.....	16
13	Cash at Bank/Investments.....	17
14	Cash Backed Reserves.....	19
15	Non Current Assets.....	28
16	Loan Facilities.....	29
17	Business/Trading Undertakings.....	29
18	Principal Activities Plan.....	29
19	Determination of Opening Funds.....	30

1 2003/04 Actual Comparatives

The 2003/04 actual comparatives as shown are estimates made as at 18 July 2004. The actual results will not be confirmed until the City has had its financial statements audited for the year ending 30 June 2004

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

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, at the end of the financial year. 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 key result areas. Our decisions will be guided by a number of underlying principles. These principles have been developed to guide the City's decision making.

Community Focus

- 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.
- We will be proactive in the area of community education.

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.

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 2003/04 \$	Actual 2003/04 \$	Budget 2004/05 \$
<i>Revenues</i>			
Rates	42,698,866	42,330,990	45,800,266
Rates-Specified Area	151,604	156,015	83,071
Government Grants & Subsidies	6,816,376	7,102,265	7,235,995
Contributions, Reimbursements and Donations	11,056,326	8,264,955	8,589,070
Profit on Asset Disposal	59,078	60,502	68,123
Fees & Charges	12,674,563	12,391,430	13,010,621
Interest Earnings	2,230,600	2,390,622	2,414,000
Revenue from Other Councils	112,000	123,497	106,000
Total Operating Revenues	75,799,413	72,820,276	77,307,146
<i>Expenses</i>			
Employee Costs	26,039,975	27,090,317	28,230,363
Materials & Contracts	24,056,383	22,127,354	25,159,235
Utilities	2,937,850	2,830,133	2,995,576
Depreciation on Non Current Assets	14,335,096	14,385,459	14,868,476
Loss on Disposal	251,684	119,729	313,779
Insurance Expenses	941,559	909,599	922,540
Other Expenses	20,000	21,086	44,000
Total Operating Expenses	68,582,547	67,483,677	72,533,969
Change in net assets resulting from Operations before Reserve Transfers	7,216,866	5,336,599	4,773,177

6 Rating and Valuations

a) Gross Rental Values	2003/04 Budget \$	2003/04 Actual \$	2004/05 Budget \$
Residential Improved	513,771,611	513,771,611	521,228,544
Residential Not Improved	13,586,647	13,586,647	12,536,983
Commercial Improved	100,006,320	100,006,320	108,936,135
Commercial Not Improved	642,500	642,500	467,250
Industrial	8,267,752	8,267,752	8,606,732
Total	636,274,830	636,274,830	651,775,644

b) Unimproved Values	2003/04 Budget \$	2003/04 Actual \$	2004/05 Budget \$
Residential	2,248,000	2,248,000	2,248,000
Rural	28,693,194	28,693,194	28,693,194
Total	30,941,194	30,941,194	30,941,194

c) Minimum payments

A general minimum payment of \$482 (2003/04 \$461) 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	1 October 2004
Second instalment	3 December 2004
Third instalment	4 February 2005
Fourth instalment	8 April 2005

Instalment fees

An administration fee of \$7.00 (2003/04 \$6.00) 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 \$341,404.

Discounts, penalties etc.

A discount of 2.5% applies on 2004/05 general rates only if full payment of all current and arrears of rates (including specified area rates), emergency services levy, domestic refuse charge, security charge and private swimming pool inspection fees (inclusive of GST) is received within 28 days of the issue date of the annual rate notice. The cost of this option to the City is \$800,000.

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 rates), emergency services levy, 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 2.5% discount on 2004/05 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), emergency services levy, domestic refuse charges, private swimming pool inspection fees (inclusive of GST): -

- One Instalment
 - Payment in full (including all arrears) within 28 days of the issue date of the annual rate notice and be eligible for a 2.5% discount on current general rates only and eligibility to enter the rate incentive scheme for prizes (24 September 2004).
 - Payment in full within 35 days of the issue date of the annual rate notice (1 October 2004).
- Two Instalments
 - The first instalment of 50% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST), instalment charge, plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice (1 October 2004).
 - The second instalment of 50% of the total of the current rates, emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, payable 63 days after due date of first instalment (3 December 2004).
- Four Instalments
 - The first instalment of 25% of the total current rates (including specified area rates), emergency services levy, 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 (1 October 2004).
 - The second, third and fourth instalment, each of 25% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST), and instalment charge payable as follows:
 - 2nd instalment – 63 days after due date of 1st instalment (3 December 2004)
 - 3rd instalment – 63 days after due date of 2nd instalment (4 February 2005)
 - 4th instalment – 63 days after due date of 3rd instalment (8 April 2005)

Instalment Charges and calculation of Interest

The instalment options are subject to an administration fee of \$7.00 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), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

- Four Instalments
 - An administration fee of \$7.00 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), emergency services levy, 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), emergency services levy, 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; and
 - 25% of the total current general rate (including specified area rate), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated from the due date of the third instalment to the due date of the fourth 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 \$24.00 is charged on each payment arrangement and penalty interest of 11.00% pa is applied from 2 October 2004 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 and arrears of private swimming pool inspection fees (including GST) and arrears of security charges at a rate of 11.00% 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 current amounts not due under the two or 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 2004/05 Budget provides for the amount of \$297,720 to be generated from interest charged on outstanding rates. The City made provision for expenditure of \$10,000 in relation to writing off late payment interest in cases of hardship in accordance with policy 2.4.4 - Rates Charges.

Emergency Services Levy Interest Charge

In accordance with the provisions of Section 36S of the Fire and Emergency Services Legislation (Emergency Services Levy) Amendment Act 2002, IMPOSES interest on all current and arrears amounts of emergency services levy at a rate of 11.00% per annum, calculated on a simple interest basis on amounts which 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 instalment current amounts not yet due under the two or

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.

Emergency Services Remittance Option B

The City has elected to remit the 2004/05 Emergency Services Levy to the Fire and Emergency Services Legislation under Option B. Under Option B the City of Joondalup will acquire the 2004/05 Emergency Services Levy debt (estimated at \$9m) when the 2004/05 rates are levied (August 2004). The City is required to remit the 2004/05 ESL to FESA in quarterly payments – September 2004 (30% of ESL levied), December 2004 (30% of ESL levied), March 2005 (30% of ESL levied) and June 2005 (10% of ESL levied). The City invests the ESL receipts as part of its municipal funds investments. The 2004/05 ESL levies receivable and the 2004/05 ESL liability to FESA will be reflected in the City's balance sheet and the cashflow impacts are included in the 2004/05 Statement of Cash Flows.

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 2004/05 financial year:

- \$128.00 per existing unit serviced (2003/04 - \$126.00); and
- Additional bin collection service \$140.80 (inclusive of GST), (2003/04 - \$138.60)
- Collection from within the property boundary \$44.20 (inclusive of GST), (2003/04 - \$41.20)
- New refuse service – cost of bin and delivery \$40.60 (inclusive of GST), (2003/04 - \$39.60)
- Optional recycling – purchase of cart \$84.70 (inclusive of GST) (2003/04 - \$84.70)
- Optional recycling cart- sort and collect recycling cart \$35.20 (inclusive of GST), (2003/04 - \$35.20).

Private Swimming Pool Inspection Fee

Council, in accordance with the provisions of Section 245A(8) of the Local Government (Miscellaneous Provisions) Act 1960 imposes for the 2004/05 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 does not impose for the 2004/05 financial year, a specified area rate for the area of Harbour Rise but utilises the amounts retained in the Specified Area Rating Reserve – Harbour Rise as at 1 July 2004 for the purposes of maintaining enhanced landscaping services which will be applied during 2004/05.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2004/05 financial year, a specified area rate of 0.408235 cents in the dollar (based on the gross rental value of each property) for the area of Iluka for the purposes of maintaining enhanced landscaping services which will be applied during 2004/05.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the 2004/05 financial year, a specified area rate of 1.3234 cents in the dollar (based on the gross rental value of each property) for the area of Woodvale Waters for the purposes of maintaining enhanced landscaping services which will be applied during 2004/05.

Emergency Services Levy

In accordance with the provisions of Sections 36B and 36L of the Fire and Emergency Services Legislation (Emergency Services Levy) Amendment Act 2002, IMPOSE the 2004/05 Emergency Services Levy Rates and Minimum and Maximum Payments on Residential, Vacant Land, Commercial, Industrial and Miscellaneous lots as follows:

ESL Category	ESL Rate (Cents per \$ GRV)	Minimum and maximum ESL CHARGES BY PROPERTY USE			
		Residential and Vacant Land		Commercial, Industrial and Miscellaneous	
		Minimum	Maximum	Minimum	Maximum
1	1.47	\$30	\$175	\$30	\$100,000

Schedule of valuations and rate revenue

The schedule of valuations and rate revenue is shown on the "2004/05 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 2004/05 \$
By Nature	
Fees & Charges	<u>13,010,621</u>
By Programme	
General Purpose Funding	639,124
Law, Order & Public Safety	407,156
Health	253,153
Education & Welfare	53,771
Community Amenities	7,814,603
Recreation & Culture	2,421,978
Transport	210,726
Economic Services	1,156,805
Other Property and Services	53,305
	<u>13,010,621</u>

A rubbish collection charge is raised to recover the cost of the waste collection service to a total number of approximately 54,400 properties throughout the City. These costs include the domestic refuse collection, refuse bulk verge collections and the recycling program. Income of \$7,238,450 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 2003/04 \$	Actual 2003/04 \$	Budget 2004/05 \$
Operating - Contributions, Reimbursements and Donations	976,326	1,372,969	790,256
Non Operating - Contributions, Reimbursements and Donations:			
Contributions, Reimbursements and Donations	5,240,000	2,062,226	4,048,814
Contributions from Developers for Infrastructure Assets - Parks	120,000	120,000	105,000
Contributions from Developers for Infrastructure Assets - Roads, Drainage, Footpaths and Lighting	4,170,000	3,970,000	3,470,000
Contributions from Developers for Infrastructure Assets - Buildings	550,000	739,760	175,000
Total - Non Operating Contributions, Reimbursements and Donations:	10,080,000	6,891,986	7,798,814
Total - Contributions, Reimbursements and Donations:	11,056,326	8,264,955	8,589,070

Contributions and Reimbursements are estimated due to the following:

- 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 at \$3,750,000 for 2004/05 budget purposes.

9 Disposal of Assets

a) Schedule of disposals

The 2004/05 Budget provides for the disposal of the following council assets (shown at estimated WDV):

By Class	Budget 2004/05 \$
Heavy Vehicles	212,581
Light Vehicles	1,101,790
Plant	285,485
	1,599,856

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

By Programme	Budget 2004/05 \$
General Purpose Funding	-
Governance	-
Law, Order & Public Safety	-
Health	-
Education & Welfare	-
Community Amenities	-
Recreation & Culture	-
Transport	-
Economic Services	(122,828)
Other Property and Services	-
	(122,828)
	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/> (245,656)

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	195,000	212,581	24,718	(42,299)
Light Vehicles	986,500	1,101,790	14,789	(130,079)
Plant	172,700	285,485	28,616	(141,401)
Total	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/> 1,354,200	1,599,856	68,123	(313,779)

10 Depreciation

b) Depreciation on Non Current Assets

	Budget 2003/04 \$	Actual 2003/04 \$	Budget 2004/05 \$
Depreciation on Non Current Assets	14,335,096	14,385,459	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/> 14,868,476

Depreciation on non current assets has increased mainly due to depreciation estimated on additional reserves, roads and drainage infrastructure acquired in the previous year.

The change in net assets resulting from operations for the 2004/05 year was arrived at after charging the following items of depreciation:

By Class	Budget 2004/05 S
Buildings	1,663,416
Computer & Communications Equipment	472,800
Furniture & Equipment	83,400
Heavy Vehicles	132,000
Light Vehicles	284,400
Mobile Plant	288,000
Plant & Equipment	74,460
Reserves Infrastructure	2,200,000
Roads Infrastructure	6,395,000
Footpaths Infrastructure	400,000
Drainage Infrastructure	2,185,000
Car Parking Infrastructure	290,000
Other Engineering Infrastructure	400,000
	<hr/> 14,868,476 <hr/>

c) Depreciation by Programme

Depreciation by programme includes for roads, drainage, footpaths and car parking are included under the Transport programme and depreciation for reserves under the Recreation and Culture programme.

By Programme	Budget 2004/05 S
Governance	26,859
Law, Order & Public Safety	41,050
Health	14,469
Education & Welfare	31,283
Community Amenities	512,327
Recreation & Culture	3,228,036
Transport	10,573,944
Economic Services	25,878
Other Property and Services	414,630
	<hr/> 14,868,476 <hr/>

11 Commissioners' Remuneration

For budget purposes it has been assumed that Commissioners will continue for the majority of the year with elected representatives returning to coincide with the local government elections to be held on 7 May 2005, in accordance with the Local Government Act 1995. This is subject to the completion and final recommendations of the Panel Inquiry.

The following remuneration is estimated to be paid to commissioners.

	Budget 2004/05
	\$
Chairman of Commissioners remuneration	40,000
Deputy Chairman of Commissioners remuneration	37,500
Commissioners remuneration	<u>105,000</u>
TOTAL	<u>182,500</u>

12 Members' Fees and Allowances

For budget purposes it has been assumed that Commissioners will continue for the majority of the year with elected representatives returning to coincide with the local government elections to be held on 7 May 2005, in accordance with the Local Government Act 1995. This is subject to the completion and final recommendations of the Panel Inquiry.

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

	Budget 2004/05
	\$
Mayor	
Mayoral Allowance	10,000
Mayoral Meeting Fee	2,000
Telecommunications Allowance	<u>333</u> 12,333
Deputy Mayor	
Deputy Mayoral Allowance	2,500
Deputy Mayoral Meeting Fee	1,000
Telecommunications Allowance	<u>333</u> 3,833
Elected Members	
Meeting Fees (13 x \$6,000 per annum each)	13,000
Telecommunications Allowance (13 @ \$2,000pa)	<u>4,334</u> 17,334
Other Expenses (elected members and Commissioners)	
Conferences and Training Expenses	27,500
Reimbursement for Travel and Child Care	32,250
Reimbursement for other Specified Expenses	<u>900</u> 60,650
TOTAL	<u>94,150</u>

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 2004/05 mayoral allowance at \$60,000 per annum.

In accordance with Section 5.98 (1)(b) of the Local Government Act 1995 and Regulation 30 (5)(b) of the Local Government (Administration) Regulations 1996, Council has set the 2004/05 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 2004/05 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 2004/05 deputy mayoral meeting fee at \$6,000 per annum.

c) Councillors' Meeting Fees

In accordance with the section 5.98 (1) of the Local Government Act 1995 and Regulation 30 (3)(b) of the Local Government (Administration) Regulations 1996, Council has set the 2004/05 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. Includes Commissioners expenses of office.

13 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 2003/04 \$	Budget 2004/05 \$
Asset Replacement Reserve	7,233,986	4,881,986
Cash in Lieu of Parking Reserve	357,381	357,381
Cash in Lieu of Public Open Space Reserve	1,066,539	1,066,539
Community Facilities Reserve	344,000	229,000
Domestic Cart – Refuse Collection Reserve	1,272,227	1,385,190
Heavy Vehicles Replacement Reserve	843,935	536,057
Hodges Drive Drainage Reserve	196,309	196,309
Joondalup City Centre Public Parking Reserve	229,122	229,122
Joondalup Normalisation Agreement Reserve	-	-
Leisure Centres Capital Replacement Reserve	7,416,195	212,898
Library Literacy Program Reserve	7,605	7,605
Light Vehicles Replacement Reserve	468,385	26,195
Mullaloo Beach Foreshore Enhancement Reserve	-	-
Ocean Reef Boat Launching Facility Reserve	55,991	55,991
Performing Arts Facility Reserve	1,688,971	265
Plant Replacement Reserve	991,582	353,768
Rate Revaluation Reserve	65,000	130,000
Section 20A Land Reserve	31,792	31,792
Sorrento Beach Foreshore Enhancement Reserve	-	-
Specified Area Rating – Harbour Rise Reserve	57,833	11,514
Specified Area Rating – Iluka Reserve	131,578	-
Strategic Asset Management Reserve	-	1,192,594
Town Planning Scheme No 10 (Revoked) Reserve	560,858	370,858
Wanneroo Bicentennial Trust Reserve	12,500	12,500
	23,031,789	11,287,564

Interest Earnings

The 2004/05 annual budget provides for revenue to the amount of \$2,414,000 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 2003/04 \$	Budget 2004/05 \$
General Municipal Funds	1,825,622	1,914,000
Interest applied to selected reserve accounts	565,000	500,000
Total interest accruing on Municipal Funds	2,390,622	2,414,000

14 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 and an allocation of interest. Funding from this reserve is to undertake construction of the depot facility.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	7,163,348	7,233,986
Transfer from Accumulated Surplus	1,361,769	3,000,000
Transfer to Accumulated Surplus	1,291,131	5,352,000
Closing Balance	7,233,986	4,881,986

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.

Funds transferred from the reserve will be utilised to fund future car parking requirements.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	363,874	357,381
Transfer from Accumulated Surplus	17,000	-
Transfer to Accumulated Surplus	23,493	-
Closing Balance	357,381	357,381

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.

Funds transferred from the reserve will be utilised to fund future public open space requirements.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	832,339	1,066,539
Transfer from Accumulated Surplus	239,717	-
Transfer to Accumulated Surplus	5,517	-
Closing Balance	1,066,539	1,066,539

Community Facilities Reserve

Created in 2004/05 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.

Funds transferred from the reserve are to undertake preliminary work for the Currambine community facility.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	-	344,000
Transfer from Accumulated Surplus	844,000	-
Transfer to Accumulated Surplus	500,000	115,000
Closing Balance	344,000	229,000

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 the waste management service. Transfers from accumulated surplus include interest and the repayment of funds previously 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 \$200,000 has been transferred to Accumulated Surplus as a contribution toward the Joondalup Works Depot facility.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	2,724,138	1,272,227
Transfer from Accumulated Surplus	722,964	312,963
Transfer to Accumulated Surplus	2,174,875	200,000
Closing Balance	1,272,227	1,385,190

Heavy Vehicles 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 are reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	710,481	843,935
Transfer from Accumulated Surplus	167,558	172,122
Transfer to Accumulated Surplus	34,104	480,000
Closing Balance	843,935	536,057

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.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	187,309	196,309
Transfer from Accumulated Surplus	9,000	-
Transfer to Accumulated Surplus	-	-
Closing Balance	196,309	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.

Funds transferred from the reserve are to undertake car park works during the year.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	52,022	229,122
Transfer from Accumulated Surplus	177,100	-
Transfer to Accumulated Surplus	-	-
Closing Balance	229,122	229,122

Joondalup Normalisation Agreement Reserve

Created in 2004/05 to undertake works not completed by Landcorp.

The City will receive \$2,800,000 from Landcorp during 2004/05 which will be transferred to the reserve. \$2,800,000 will be transferred to the Asset Replacement Reserve.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	1,900,000	2,800,000
Transfer to Accumulated Surplus	1,900,000	2,800,000
Closing Balance	-	-

Leisure Centres 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 \$2,000,000 municipal funds and an allocation of interest. Transfers from the reserve are to undertake works associated with the upgrade of facilities at the Craigie Leisure Centre.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	14,445	7,416,195
Transfer from Accumulated Surplus	7,401,750	2,200,000
Transfer to Accumulated Surplus	-	9,403,297
Closing Balance	7,416,195	212,898

Library Literacy Program Reserve

Created in 2003/04 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 includes funds from the sale of donated and surplus library books.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	1,162	7,605
Transfer from Accumulated Surplus	6,443	-
Transfer to Accumulated Surplus	-	-
Closing Balance	7,605	7,605

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 04 \$	Budget 2004/05 \$
Opening Balance	638,684	468,385
Transfer from Accumulated Surplus	443,069	506,310
Transfer to Accumulated Surplus	613,368	948,500
Closing Balance	468,385	26,195

Mullaloo Beach Foreshore Enhancement Reserve

Created in 2004/05 for the purpose of completing works relating to the Mullaloo Beach Foreshore Enhancement corporate project.

Funding for this reserve was to recognise outstanding works at 30 June 2004 (which was shown as a 2004/05 Carry Forward Corporate Project - Attachment 11 - \$264,748). Transfers from the reserve is to complete works relating to the Mullaloo Beach Foreshore Enhancement project.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	-	-
Transfer from Accumulated Surplus	-	264,748
Transfer to Accumulated Surplus	-	264,748
Closing Balance	-	-

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 launching facility and the adjacent foreshore lands.

Additions to this reserve are by specific budget allocation. Transfers from the reserve is to undertake preliminary works to assess the future development of the Ocean Reef boat launching facility.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	53,491	55,991
Transfer from Accumulated Surplus	2,500	100,000
Transfer to Accumulated Surplus	0	100,000
Closing Balance	55,991	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.

Transfers from accumulated surplus include interest. Additions to this Reserve are by a specific budget allocation. An amount of \$1,250,000 will be used to purchase land and undertake development of land associated with the Joondalup Cultural Facility. An amount of \$561,000 will be transferred to accumulated surplus.

	Actual 30 June 04 s	Budget 2004/05 s
Opening Balance	3,135,459	1,688,971
Transfer from Accumulated Surplus	1,953,512	122,294
Transfer to Accumulated Surplus	3,400,000	1,811,000
Closing Balance	1,688,971	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 04 \$	Budget 2004/05 \$
Opening Balance	708,378	991,582
Transfer from Accumulated Surplus	423,149	390,486
Transfer to Accumulated Surplus	139,945	1,028,300
Closing Balance	991,582	353,768

Rate 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.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	-	65,000
Transfer from Accumulated Surplus	65,000	65,000
Transfer to Accumulated Surplus	-	-
Closing Balance	65,000	130,000

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.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	30,292	31,792
Transfer from Accumulated Surplus	1,500	0
Transfer to Accumulated Surplus	0	0
Closing Balance	31,792	31,792

Sorrento Beach Foreshore Enhancement Reserve

Created in 2004/05 for the purpose of completing works relating to the Sorrento Beach Foreshore Enhancement corporate project.

Funding for this reserve was to recognise outstanding works at 30 June 2004 (which was shown as a 2004/05 Carry Forward Corporate Project – Attachment 11 - \$1,347,864) and includes a transfer from Accumulated Surplus of \$900,000. Transfers from the reserve is to complete works relating to the Sorrento Beach Foreshore Enhancement project.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	2,247,864
Transfer to Accumulated Surplus	-	2,247,864
Closing Balance	-	-

Specified Area Rating – Harbour Rise Reserve

The reserve was created to hold unspent funds levied for the purpose of undertaking enhanced landscaping services in the Harbour Rise specified area.

Transfers are to fund works undertaken in the specified area Harbour Rise.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	28,336	57,833
Transfer from Accumulated Surplus	57,833	-
Transfer to Accumulated Surplus	28,336	46,319
Closing Balance	57,833	11,514

Specified Area Rating – Iluka Reserve

The reserve was created to hold unspent funds levied for the purpose of undertaking enhanced landscaping services in the Iluka specified area.

Transfers are to fund works undertaken in the specified area Iluka.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	5,330	131,578
Transfer from Accumulated Surplus	141,400	-
Transfer to Accumulated Surplus	15,152	131,578
Closing Balance	131,578	-

Strategic Asset Management Reserve

Created in 2004/05 for the purposes of funding the maintenance, rehabilitation, replacement and disposal of assets in the most effective manner, at the required level of service for future and present requirements.

Transfers to the reserve are by specific allocations from municipal funds.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	1,192,594
Transfer to Accumulated Surplus	-	-
Closing Balance	-	1,192,594

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. 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 04 \$	Budget 2004/05 \$
Opening Balance	773,967	560,858
Transfer from Accumulated Surplus	26,000	-
Transfer to Accumulated Surplus	239,109	190,000
Closing Balance	560,858	370,858

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. The final distribution is still to occur and is expected to be to the Carine Rotary Club for its Dolphin Wishing Well project.

	Actual 30 June 04 \$	Budget 2004/05 \$
Opening Balance	12,500	12,500
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	-	-
Closing Balance	12,500	12,500

15 Non Current Assets

a) Capital expenditure by class of asset

Acquisition of Assets

The 2004/05 Budget provides for the acquisition of the following council assets:

	Budget 2004/05 \$
Artifacts and Artwork	50,000
Computers and Communication Equipment	797,687
Furniture & Equipment	42,000
Heavy Vehicles	675,000
Light Vehicles	1,908,500
Mobile Plant and Plant & Equipment	1,227,500
Capital Works	33,305,922
Acquired Infrastructure Assets	3,750,000
	<hr/>
	41,756,609

b) Capital expenditure by Class of Programme

	Budget 2004/05 \$
By Programme	
General Purpose Funding	-
Law, Order & Public Safety	145,149
Health	1,106
Education & Welfare	53,146
Community Amenities	1,791,064
Recreation & Culture	18,529,130
Transport	19,289,819
Economic Services	2,211
Other Property and Services	1,944,984
	<hr/>
	41,756,609

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

16 Loan Facilities

a) Prior year borrowings

The City had no borrowings at 30 June 2004.

b) 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 was established in July 1999 to meet short-term cash payment requirements and will continue to 30 June 2005. No change to the limit is proposed. The overdraft was not utilised at 30 June 2004.

c) Current year borrowings

The City of Joondalup will borrow funds of \$3,000,000 over an expected 10-year term at an estimated interest rate of 5.97%. The loan is to undertake the upgrade of the Craigie Leisure Facility. The loan will be fully drawn down prior to 30 June 2005 to undertake the upgrade of the Craigie Leisure Facility during 2004/05. An estimated interest rate of 5.97% has been used with monthly repayments of interest and principal. The Budget includes repayments of principal of \$75,000 during 2004/05.

17 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 expects to acquire land during the 2004/05 period which is to be funded from the Asset Replacement Reserve and the Performing Arts Facility Reserve. An estimated cost of \$2,800,000 to purchase land for the works depot and \$590,000 for the Joondalup Cultural Facility has been included in the budget for this purpose.

18 Principal Activities Plan

The Draft 2004/05 to 2008/09 Principal Activities Plan was made available for public consideration and comment on 2 June 2004. All the operating activities prescribed in the Principal Activities Plan have been included and budgeted for in the 2004/05 budget.

The Principal Activities Plan closing date for public comments was 16 July 2004. The City received 424 submissions from members of the public that were considered by the Budget Committee. Council adopted the Principal Activities Plan with minor modifications.

The principal activities as described in the Principal Activities Plan have been included in the budget. No additional principal activities have been included or excluded from the 2004/05 budget.

19 Determination of Opening Funds

SUMMARY OF CURRENT ASSETS - CURRENT LIABILITIES AS AT 30 JUNE 2004	\$	\$
Current Assets		
Rates and Sundry Debtors	1,729,681	
Private Swimming Pools Fees	1,301	
Domestic Refuse Charge	61,999	
Accrued Income	101,968	
Cash Advances	8,533	
Cash at Bank and Investments	36,663,032	
Goods and Services Tax	514,192	
Stock on Hand	811	
Prepayments	195,476	
Pensioner Rates Deferred	(940,676)	
Less Provision for Sundry Debtors	(31,875)	
Closing Position - Current Assets		38,304,442
Less: Current Liabilities		
Trade Creditors	2,873,860	
Sundry Creditors	990,848	
Accrued Expenses	927,993	
Goods and Services Tax	61,821	
Provision for Annual Leave	2,061,766	
Provision for Long Service Leave	1,900,393	
Provision for Workers Compensation Insurance	610,097	
Closing Position - Current Liabilities		9,426,778
Net Current Assets (Asset less Liabilities)		28,877,664
Less: Restricted Assets - Reserves	23,031,789	23,031,789
Surplus Carried Forward at 30 June 2004		5,845,875
Less:		
Carried Forward Corporate Projects - estimated	1,612,612	
Carried Forward Capital Works - estimated	3,227,953	
Carried Forward Proposals - estimated	636,311	5,476,876
Available Surplus Carried Forward at 30 June 2004		368,999